10/22/77

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1:00 p.m.

THE WHITE HOUSE WASHINGTON

VISIT TO

MICHIGAN, IOWA, NEBRASKA, COLORADO, CALIFORNIA AND MINNESOTA

October 21 - 23, 1977

DAY # 2
SATURDAY - OCTOBER 22, 1977

SUMMARY SCHEDULE FOR SATURDAY, OCTOBER 22, 1977

DOLLER DOLLER OF	
7:30 a.m.	Coffee at Diehl farm with group of Iowa farmers. Duration: 40 minutes
8:15 a.m.	Depart via motorcade en route Des Moines Airport. (Driving Time: 25 minutes)
8:40 a.m.	Motorcade arrives Des Moines Municipal. Board Air Force One and depart en route Offutt Air Force Base, Nebraska. (Flying Time: 30 minutes) (No Time Change)
9:15 a.m.	Air Force One arrives Offutt AFB, Nebraska. 3-minute motorcade to SAC Headquarters Building. Gen. Ellis and Secretary Brown ride with you.
9:30 a.m.	SAC Headquarters tour. Duration: 2 hours.
11:31 a.m	Tour concludes. You, Gen. Ellis and Sec. Brown motorcade to Static Display Area for inspection of EC-135 aircraft.
12:01 p.m.	Inspection concludes. You proceed to motorcade, board, and depart for Air Force One apron. Gen. Ellis and Secretary Brown ride with you.
12:03 p.m. 12:10 p.m.	Motorcade arrives Air Force One apron. Air Force One departs Offutt AFB en route Denver, Colorado. (Flying Time: 1 hour, 20 minutes) (Time Change: - 1 hour)
12:30 p.m.	Air Force One arrives Stapleton International Airport, Denver. Congresswoman Schroeder and Congressman Wirth accompany you on 20-minute

motorcade to Denver Hilton.

PERSONAL TIME: 25 minutes

Arrive Denver Hilton.

Depart holding Room en route Ballroom for Roundtable Discussion on Western Water Policy. 1:30 p.m. Western Water Policy Roundtable Discussion.
REMARKS; 45-minute dialogue with panelists;
30 minute Q & A Session with audience LIVE REGIONAL TELEVISION (Delayed Broadcast)

3:00 p.m. Roundtable concludes, Proceed to holding room.

PERSONAL TIME: 5 minutes Depart Holding Room for Cedar Room and Meeting with Governors.

Duration of Meeting: 35 minutes 3:45 p.m. Meeting concludes. Depart Cedar Room for holding room. PERSONAL TIME: 2 minutes Silver Room for Panama Canal Briefing. 3:50 p.m. REMARKS. Briefing duration: 25 minutes. LIVE REGIONAL TELEVISION (Delayed Broadcast) Depart Silver Room for holding room. 4:15 p.m. PERSONAL TIME: 40 minutes Depart holding room for 20-minute motorcade 5:00 p.m. en route Stapleton International Airport. 5:25 p.m. Motorcade arrives Stapleton International Airport. LIVE LOCAL TELEVISION Board Air Force One; depart Denver en route Los Angeles. (Flying Time: 2 hours, 25 minutes) (Time Change: - 1 hour) Air Force One arrives Los Angeles International 6:66 p.m. Airport. Proceed to motorcade, board, depart with Governor Brown and Mayor Bradley on 25-minute ride to Century Plaza Hotel. 7:30 p.m. Arrive Century Placa Hotel.

PERSONAL TIME: 50 minutes.
NOTE: NEXT EVENT IS BLACK TIE.

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8:25 p.m.

Dinner Co-Chairmen arrive suite and you depart en route Democratic Committee Fundraising Dinner.

8:30 p.m.

Arrive Democratic Committee Fundraising
Dinner in Los Angeles Suite. Governor
Brown introduces you for REMARKS.

8:45 p.m.

Your remarks conclude. Escorted by Lou Wasserman and Ken Curtis, circulate among guests for 1 hour, 10 minutes.

10:00 p.m.

Entertainment by Ben Vereen and Nelson Riddle's orchestra.

10:30 p.m.

Entertainment concludes. Proceed to suite.

10:35 p.m.

Arrive Suite.

OVERNIGHT.

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THE WHITE HOUSE

WASHINGTON

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October 21 - 23, 1977

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CALLE THE STOOM SATURDAY GOOD GOODER 22.2, 1977 DAY # 2

Enturne 20 . em First Event: 7:30 a.m.

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SATURDAY, OCTOBER 22, 1977
S CALAVOL BLANC KOMBO

COFFEE MEETING AT DIEHE FARM WITH FARM GROUP

7:15 a.m.

"Guests arrive Diehl farm for coffee meeting with you.

7:30 a.m.

212202 You have coffee with a group of Iowa farmers at the Diehl home.

Ment us w Harild Brown

I full-d' agus savat adois nam PRESS, POOL COVERAGE

derect Tavid Orman Chief of Seifi

TOTO TAPAREICIPANTS will be:

Congressman and Mrs. Tom Harkin (Ruth)

Woody and Mary Kiehl, hosts

Ted and Ann Diehl, Woody Diehl's son and wife ។ ខេត្ត មាន ជា នៅ ខេត្ត បាន បាន នៅ នៅ នៅ Ferris and Pat Gray, Bedford farmers -- he ୍ରପ୍ରାୟନ୍ତ୍ରିକ୍ତି । ଜଣ୍ଡଣ୍ଡି ଅଟମ୍ବୃତ୍ତି ଅଟନ୍ତି was selected Iowa's Master Farmer

Jim and Barbara Leach, Atlantic hog and serials of seal grain farmers for and Mary Jo Schmitz, Carroll County

farmers

Don and Delores Van Ryswyck, Indianola beef raisers who hosted a visit to their farm during campaign

Darrell and Joy Reynolds, Milo farmers Gary and Joan Kiernan, Madison City hog and grain farmers

Paul and Bernadette Wise, Pottawattamie farmers and NFO organizers

Joe and Mary Jane Weishaar, Creston gr. farmers

8:10 a.m.

You depart coffee en route motorcade for boarding. Congressman Harkin and Mr. John Devereaux will ride with you.

8:15 a.m.

Motorcade departs Diehl home en route Des Moines Municipal Airport, Air National Guard Facility.

(Driving Time: 25 minutes)

DES MOINES, IOWA, DEPARTURE - OFFUTT AIR BASE, NEBRASKA ARRIVAL

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Cardell and Color Tamp colldate Co

8:40 a.m.

Motorcade arrives Des Moines Municipal Airport, Air National Guard Facility.

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OPEN PRESS COVERAGE
CLOSED DEPARTURE

PRESIDENTIAL GUESTS

Secretary Harold Brown
Congressman John Cavanaugh (D-Neb.)
General David Jones, Chief of Staff

8:45 a.m.

Air Force One departs Des Moines en route Offutt Air Force Base, Nebraska.

(Flying Time: 30 minutes)
(No Time Change)

SATURDAY - OCTOBER 22, 1977 - Continued And the said of th

เพื่อด หรือ

Air Force One arrives Offutt AFB. 31/80/11

OPEN PRESS COVERAGE CROWD SITUATION (Base Employees)

ADVANCE PERSON THE MARKET

You will be met by: lant inide with incl.

Ed Maddox

General Richard Ellis, SAC Chief of Staff. Advisor

Mayor Albert Veys

Lt. Governor Gerald Whelan

Townstrop Bar State Senator Bill Brennan (also President of AFL-CIO)

: d de State-Senator Bernice Labedz

Democratic State Chair Dick White Democratic State Viscon National Com.

Stable Line Setsch besiebes Msd Florine Koole, Dem. National Com. M Ms. Mrances Ohmstede, Dem. National Com Member

n pad or 95-88 admr. Patrick McCarthy, Douglas County . www.pbess Dat Bem? Chair

Ms. Mary Buglewicz, Douglas County Dem. Vice Chair

Ms. Ruth Snavely, Sarpy County Dem. Vice

Mr. Lowell Iske, Sarpy County Dem. Chair Merry Moore, Omaha Central Labor

Council Trans Transit sameled Mr. (Marty McNeil, Brotherhood of Railway . store Forder by the same and the comporters

ent lu verme de la cordinator There is about soith Carter Primary Campaign

Mr. Jim Humlicek, Nebraska Coordinator

Ms Faye Gomez, Early Carter Supporter BAC CA AS TO THE ANTHOUSENT MS Marletta McCarthy, Early Carter Supporter FARL THE RELEASE TO FOR MELLIN Supporter

> Ms. Ruth Jackson, early Carter Supporter Mickey Staley, early Carter Supporter

Proceed to motorcade, greeting the crowd calong the way.

9:25 a.m.

Motorcade departs en route SAC Headquaters Building. General Ellis and Secretary Brown will ride with you. 化活剂配数 医垂

SAC HEADQUARTERS TOUR

9:28 a.m.

Motorcade arrives SAC Headquarters Building.

Proceed to lobby.

OPEN PRESS COVERAGE

You will be met by:

General George Brown, Chairman of the Joint Chiefs of Staff General David Jones, Chief of Staff of the United States Air Force Secretary of Air Force John C. Stetson

Techell You proceed to BB-20 to begin tour of SAC Headquarters.

Tour begins.

A Challett Carte

100 to 110 at 520 PARTIAL PRESS POOL COVERAGE

9 A CO EX You will be accompanied by:

257 100 Secretary of Defense Harold Brown Secretary of the Air Force John Stetson General George Brown, Chairman of the Joint Chiefs of Staff

t le of faith that General Richard Ellis, SAC Commander-in- \sim , so >> \in Chief $_{\pi N}$

Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs Colonel William Odom, NSC Military Aide ・意味をおかれて これが 小海に

9:30 a.m.

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s lightly so to be all

SATURDAY - OCTOBER 22, 1977 - Continued

NOTE: When the tour arrives balcony area, you will speak with a military installation by phone. You will receive a "message You will receive a message received notification, but will not be able to hear communication from the other end. ाष्ट्रकार हेडलगढ़ा पुरावस्था ।

PRESS POOL COVERAGE

11:31 a.m.

You conclude your tour of SAC Building.

Proceed to motorcade for boarding. Gen. Ellis and Secretary Brown ride with you. Motorcade departs SAC Headquarters int accirca st old am. accirca this Building en route Static Display Area.

PHOTOGRAPH - STATIC DISPLAY AREA

171 St. I -

11:35 a.m.

Motorcade arrives Static Display Area. : You inspect EC-135 aircraft.

mand inspend gamenny TO ANT SECURED . TO OPEN PRESS COVERAGE

12:01 p.m. 19 70% TON TON TON TONE Afficiant inspection concludes.

The second to motorcade to motorcade to motorcade to motorcade to motorcade The Table of the Brown ride with you. Committee Removable of the Country of onspide 12:02 p.m. basi bas (codrogate Motorcade departs Static Display Area en route Air Force One apron. i vitummoo

Welle's alet yearcoasa emigrani 12:03 p.m. Motorcade arrives Air Force One apron. You bid farewell to your hosts and Thought the very board Air Force One.

madamin tire NEBRASKA DEPARTURE - DENVER, COLORADO ARRIVAL

12:10 p.m. Air Force One departs Offutt AFB en route Denver, Colorado.

No. 35th Lascallance, Denvi ... hey Den Onair Ar. Mario. Johnson, Perver ... DAn. Chair An. Foot PoCleat, Her and A. Stde tof Nachord Formers Or. 130

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SATURDAY - OCTOBER 22, 1977 - Continued

PRESIDENTIAL GUESTS

Senator Gary W. Hart (D-Col.)
Senator Floyd K. Haskell (D-Col.)
Congresswoman Patricia Schroeder (D-Col.)
Congressman Timothy E. Wirth (D-Col.)
Secretary Harold Brown
General George Brown
Ambassador Sol Linowitz

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(Flying Time: 1 hour, 20 minutes)
(Time Change: - 1 hour)

Air Force One arrives Stapleton International Airport, Denver.

OPEN PRESS COVERAGE
CLOSED ARRIVAL

You will be met by:

Governor Richard Lamm
Mayor Bill McNichols
Lt. Gov. George Brown
Attorney Gen. J.D. McFarlane
State Treasurer Roy Romer
House Minority Leader Rubin Valdez
Senate Minority Leader Ray Kogovsek
State Rep. Polly Baca Barrigan (also DNC
Committeewoman, early Carter
supporter, and leader in the Chicano
community)

community)
District Attorney Dale Tooley
Dem. State Party Chair Sheila Kowal
Dem. State Party Vice Chair Ron Steward
Kathy Farley, DNC Committeewoman
Dr. Mike Muftic, DNC Committeeman
Mr. Bill Leavel, DNC Committeeman
Ms. Wilma Webb, Secretary of State Dem. Party
Mr. Henry Strauss, Treasurer of State Dem.
Party and Early Carter Supporter
Mr. John Castellano, Denver County Dem.Chair

Mr. Marion Johnson, Denver City Dem. Chair

Mr. Tony DeChant, National President of National Farmers' Org. (NFO)

Mr. John Stencil, Colorado President of NFO

12:30 p.m.

Mr. Norm Pledger, President of Colorado AFL-CIO

Mr. Art Requena, Colorado Coordinator of Carter Primary Campaign

The territory and rook a recommendation with the second section of the second section section with the second section of the second section of Carter General Election Campaign

Ms. Kay Christiansen, Utah Coordinator The merce of Carter General Election Campaign

Mr. Bernie Phelan, Wyoming Coordinator

TERRY DESCRIPTION OF THE PROPERTY OF THE CARPAIGN CAMPAIGN Ms. Sue Furniss, Early Carter Supporter

WARNING COUNTRY and For Senator Hart's Colorado Staff

Mr. Mark Hogan, Former Lt. Governor of This is the Aller Total Total Later Total Colorado and Early Carter Supporter

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12:35 panasydmest, recommotorcade departs Stapleton International production of the language and Airport en route Denver Hilton.

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characteristic and the control of th You will be met by Jay Oxford, Resident Manager, and Nancy Brown, Assistant TISTER WOLLAN

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1:00 p.m. Spring his Arrive sholding room. y was distributed by

* PERSONAL TIME: 25 minutes

ROUNDTABLE DISCUSSION ON WESTERN WATER POLICY

1:25 p.m.

You depart holding room en route Ballroom for Roundtable Discussion on Western Water Policy.

1:30 p.m.

You arrive Ballroom door and pause for announcement.

1:30 p.m.

Announcement.

25.52 11

1:31 p.m.

You enter Ballroom and take your seat.

1:32 p.m.

PRESIDENTIAL REMARKS.

Broadcast)

FULL PRESS COVERAGE ATTENDANCE: 400

1:45 p.m.

Your remarks conclude. You begin a dialogue with the 18 panelists who are:

Secretary Cecil Andrus

Governor Lamm

11 ...

Mr. John Efetcher, Steamboat Springs, Colorado Rancher and Ski Developer

Mr. Rolly Fischer, Water Expert

Ms. Beverly Haddon, Denver Bank Vice-Presiden

Ms. Jonni Jones, University of Colorado

Urban Planning Professor

Mr. Carlos: Lucero, Alamosa, Colorado Lawyer: (Pres. of Col. Bar) and Water Expert

Mr. Elton Miller, Fort Lupton Farmer

Ms. Betty Salazar, Director of Denver United
Way and Neighborhood Activist

Mr. Wilber "Bill" Alvey, Cheyenne Wells Farmer

Mr. Ralph Atkins, Director of Water Operation

of Colorado Fuel & Iron (Steel Company)
Mr. Robert Botel, Electrical Foreman from
Northglenn -- interested in water issues

Mr. Leonard Burch, Tribal Chairman of Southern Utes

Dr. Mohamed El-Ashry, Geologist and Hydrologist from Denver

11:35 90

10 182 17 7

Mr. Joe Sullivan, Meeker Farmer

Ms. Mary Taylor, President of Colorado Open Space Council (environmental umbrella organization)

Mr. Ray Wells, Lakewood City Administrator

Mr. Ken Wright, Professional Water Engineer from Denver and Boulder

2:30 p.m.

You take questions from the audience.

3:00 p.m.

Western Water Policy Roundtable Discussion concludes.

You depart Ballroom en route holding room.

3:05 p.m.

-- Arrive holding room.

PERSONAL TIME: 5 minutes

MEETING WITH GOVERNORS

3:10 p.m.

You depart holding room en route Cedar Room for meeting with the Governors.

3:11 p.m.

You arrive Cedar Room.

BRIEF PHOTO SESSION AT BEGINNING OF MEETING

3:45 p.m.

Meeting with Governors concludes.
You depart Cedar Room en route
holding room.

3:46 p.m.

You arrive holding room.

PERSONAL TIME: 2 minutes

PANAMA CANAL BRIEFING

3:48 p.m. You depart holding room en route Silver

Room for Panama Canal Briefing.

3:50 p.m. You arrive Silver Room and take your

place behind the podium.

PRESIDENTIAL REMARKS.

LIVE REGIONAL TELEVISION
(Delayed Broadcast)
BRIEF PHOTO SESSION AT
BEGINNING OF BRIEFING
ATTENDANCE: 150

4:15 p.m. PRESIDENTIAL REMARKS CONCLUDE.

You depart Silver Room en route

holding room.

4:20 p.m. Arrive holding room.

PERSONAL TIME: 40 minutes

5:00 p.m. You depart holding room en route

motorcade for boarding.

5:05 p.m. Motorcade departs Denver Hilton en route

Stapleton International Airport. Senators

Hart and Haskell ride with you.

(Driving Time: 20 minutes)

DENVER DEPARTURE - LOS ANGELES ARRIVAL

5:25 p.m. Motorcade arrives Stapleton International Airport.

LIVE LOCAL TELEVISION PRESS POOL COVERAGE CLOSED DEPARTURE

Board Air Force One.

5:30 p.m.

Air Force One departs Denver en route Los Angeles, California.

(Flying Time: 2 hours, 25 minutes)
(Time Change: - I hour)

PRESIDENTIAL GUESTS

Secretary of Interior Cecil Andrus

Governor Richard D. Lamm of Colorado
Governor John V. Evans of Idaho
Governor Mike O'Callaghan of Nevada
Governor Jerry Apodaca of New Mexico
Governor Robert W. Straub of Oregon
Governor Richard F. Kneip of South Dakota
Lt. Governor Wayne Sanstead of North
Dakota (representing Governor Link'
Governor Thomas L. Judge of Montana
Governor Scott M. Matheson of Utah
Senator Gary Hart

6:55 p.m.

Air Force One arrives Los Angeles International Airport (West Imperial Terminal, Hangar B-4)

> OPEN PRESS COVERAGE CLOSED ARRIVAL

You will be met by:

Governor Jerry Brown
Mayor Tom Bradley
Senator Alan Cranston (D-Cal.)
Lt. Gov. Merv Dymally
Secretary of State March Fong Eu
State Treasurer Jess Unruh
State Comptroller Ken Cory
Speaker of the State Assembly Leo McC? v
President Pro Tem of the Senate James s
Democratic State Chair Bert Coffee
Southern California Dem. Chair Bruce Corwin

7:05 p.m.

Proceed to motorcade for boarding. Governor Brown and Mayor Bradley accompany you. Motorcade departs Los Angeles International Airport en route Century Plaza Hotel.

(Driving Time: 25 minutes)

7:30 p.m.

Motorcade arrives Century Plaza Hotel (Concourse D Level).

PRESS POOL COVERAGE CLOSED ARRIVAL

You will be met by:

Mr. Bill Bryant, General Manager Mr. Bob Seddelmeyer, Director of Rooms

Proceed to suite.

7:35 p.m.

Arrive suite.

PERSONAL TIME: 50 minutes
NOTE: Your next event is BLACK TIE.

DEMOCRATIC NATIONAL COMMITTEE FUNDRAISING DINNER - BLACK TIE

8:25 p.m.

Accompanied by Charles Manatt, Rosemary Tomich, Walter Shorenstein, and Bruce Lee, Co-Chairs for the dinner, you depart suite en route Los Angeles Room for Democratic Committee Fundraising Dinner.

8:30 p.m.

You and your party arrive door of Los Angeles Room and pause for announcement.

8:30 p.m.

Announcement.

8:31 p.m.

You enter Los Angeles Room and proceed to stage.

8:32 p.m.

Governor Jerry Brown introduces you.

8:35 p.m.

PRESIDENTIAL REMARKS

FULL PRESS COVERAGE ATTENDANCE:

8:45 p.m.

Your remarks conclude. Escorted by Dinner Chairman Lew Wasserman and National Democratic Party Chairman Ken Curtis, you circulate throughout the room, greeting the guests.

FULL PRESS COVERAGE

9:55 p.m.

You conclude circulation among guests and take your seat at Lew Wasserman's table.

10:00 p.m.

Entertainment by Ben Vereen and Nelson Riddle's orchestra.

10:30 p.m.

Entertainment concludes.

You depart Los Angeles Room en route suite.

10:35 p.m.

Arrive suite.

OVERNIGHT.

TRIP BOOK OUTLINE

VOLUME II

COLORADO

- A. AIRPORT VIP LIST
- B. POLITICAL REPORT COLORADO
- C. WATER QUALITY FORUM
- D. COLORADO STATEWIDE ISSUES
- E. BRIEFING MEMO ON PANAMA CANAL

II. CALIFORNIA

- A. AIRPORT VIP LIST
- B. POLITICAL REPORT CALIFORNIA
- C. CALIFORNIA STATEWIDE ISSUES
- D. DINNER VIP LIST

III. TALKING POINTS

- A. COLORADO WATER QUALITY FORUM
- B. CALIFORNIA DINNER
- C. MINNESOTA

AIRPORT VIP DENVER, COLORADO

Governor Richard Lamm

- -Up in 1978
- -Leader of Western Governors on energy and environmental conservation
- -Facing fairly difficult election
- -After 2 faltering years, his image in the state: is improving
- -The Democrats are returning to his support

Lt. Governor George Brown

- -Not respected politically
- -Will probably not be running for re-election as Lt. Governor
- -At-large member of the DNC

Attorney General J.D. MacFarlane

- -Early Carter
- -Extremely popular
- -Well-respected and one of most able politicians in Colorado
- -Has not received much recognition by Carter Administration for being first elected official to come out early and support Carter

Treasurer Roy Romer

- -Was an aide to Gov. Lamm
- -Appointed Treasurer when Sam Brown became Director of ACTION
- -Up in '78, no announced opposition yet
- -Much more low-keyed than Sam was

Mayor Bill McNichols

- -Midterm mayor, up in '79
- -In '78 he will be Chairman of the National Conference of Mayors

State Party

Sheila Kowal

- -State Chair
- -First woman state chair in Colorado
- -Ran for State Senate in Republican district in '76 and nearly won
- -Pulling the party together

Kathy Farley

- -National Committeewoman
- -From Pueblo

Willard Leavel

- -National Committeeman
- -From Denver

Michael Muftic

- -National Committeeman
- -A pediatrician and obstretician
- -From Yugoslavia
- -Very pro-ethnic involvement in politics

AIRPORT VIP DENVER, COLORADO -continued P. 2

Polly Baca Barrigan

- -National Committeewoman at-large
- -State Representative
- -A leader in the Chicano community
- -Early supporter

Wellington and Wilma Webb

- -Colorado state coordinator, general election
- -Former state representative
- -Currently Region VIII, HEW Director
- -Early Carter

Art Requena

- -Early Carter
- -Primary Coordinator
- -Art had a tough time with all the factions during the primaryworked with Wellington during the general

Norm Pledger

- -President Colorado AFL-CIO
- -Recently re-elected President
- -Came to Washington for Panama Canal briefing
- -Actively involved in the State Party

John Stencil

- -President Rocky Mountain Farmers Union
- -Works closely with the State Party
- -Has been to D.C. several times for meetings at the White House

Tony DeChant

-National President Farmers Union

John Castellano

- -Chairman Denver County Party
- -Attorney

Marion Johnson

-Vice Chair of Denver County Party

Dale Tooley

- -District Attorney, Denver
- -Ran for mayor against Bill McNichols and lost twice
- -In the liberal wing of the Denver party

Ray Kogovsek

- -Senate Minority leader
- -3rd CD Congressional candidate
- -His home district is heavily involved in labor

AIRPORT VIP DENVER, COLORADO -continued p. 3

Rubin Valdez

- -Former Speaker of the House
- -Minority Leader in the House
- -Author of Bilingual, Bicultural Bill
- -Interests in Education and Labor
- -Has held a leadership position since 1975

Henry Strauss

- -Early Carter & finance person
- -Treasurer of State Party
- -Businessman
- -Working on importing from the People's Republic of China
- -Came to Washington for Panama Canal briefing
- -Was Inaugural Host for Colorado

Mark Hogan

- -Early Carter and finance person
- -Former Lt. Governor of Colorado
- -Real Estate business
- -Came to Washington for Panama Canal briefing

Sue Furniss

- -Strong supporter of President Carter
- -Leader in Colorado politics
- -Chairman of DNC Western States Conference
- -Senator Hart's field manager in Denver

COLORADO POLITICAL OVERVIEW

I. KEY POLITICAL RACES

A. GUBERNATORIAL

Governor Richard Lamm will be running for re-election in 1978. Lamm has not been a particularly popular Governor and has had a difficult 2 1/2 years. Recently, however, Lamm's image has been improving although the depth of improvements is unclear. It is expected he will have a difficult race.

Lamm has been actively "running" against the Carter Administration particularly on water, and has characterized the federal government and Washington as the enemy which Westerners must unite against. He has relied on his National Governors Conference activities to demonstrate his effectiveness in representing Colorado on energy issues. He has led Governors' efforts to obtain increased impact aid.

As of this date no serious Democratic opposition has emerged. Attention is focused upon four possible Republican candidates: State Senator Joe Schumaker from Denver, State Senator Ted Strickland of Wesminster; James Richey, Mayor of of Lakewood, and State Senator Richard Plock, Denver.

B. SENATORIAL

Senator Floyd Haskell has no primary opposition, yet is facing a very tough race. Until recently he did not spend much time in Colorado or address himself to issues and interests concerning the state. The Republicans are targeting Haskell and will be pouring money into the race. The most likely Republican candidates are: Congressman Bill Armstrong (5th C.D.), and John Swigert, former Apollo astronaut. There has also been some mention of former Governor Love considering the Senate seat. If Love, who is extremely popular in Colorado, chooses to run against Haskell, he would be a heavy favorite to win.

C. CONGRESSIONAL

- 1st CD -Cong. Pat Schroeder D won in '76 with 54% of the vote. (Denver) No strong Republican opposition. Should be a safe seat.
- 2nd CD -Cong. Tim Wirth D won in '76 with 50% of the vote.

 (Suburban His base is expanding but will need financial and visible administration support. Targeted GOP seat. Tough re-election.

COLORADO POLITICAL OVERVIEW D. 2

C. CONGRESSIONAL (continued)

- 3rd CD -Cong. Frank Evans D is retiring. Democratic Senate Minority Leader Ray Kogovsek was going to challenge Evans; now has a headstart over any other Democratic candidates. No real Republican candidates yet.
- 4th CD -Cong. Jim Johnson R won in '76 with 54% of the vote.

 No real Democratic candidate yet. District is so large and varied that name recognigion of incumbents is a tremendous plus.
- 5th CD -Cong. Bill Armstrong R may be running for the Senate seat.

 Two possible Republican candidates are Bob Eckeberry and

 Ken Kramer

Democrat Gerry Frank, a state representative, has already announced and has a good chance of winning the district. The 5th was created in 1972.

C. LEGISLATIVE RACES AND ISSUES

All 65 members of the State House are up for re-election in 1978. The ratio now is 35 Republicans and 30 Democrats. 17 of the 35 members of the State Senate are up: 9 Democrats and 8 Republicans

II. THE STATE PARTY

The Colorado state party is in debt approximately \$10,000. It has been poorly organized with pockets of strength. The new state chairman, Sheila Kowal, is pulling the party together and giving it direction and goals. She spends part of her week traveling around the state and visiting and talking to Democrats in each county. This has not happened to Colorado before. Although traditionally there has been conflict between the Western slope (Grand Junction) and the Eastern slope, Sheila is working on making the Western slope feel less alienated from the rest of the state. There also has been rivalry between Denver and Pueblo. The Denver County Chairman John Castellano is hardworking and a good leader of Denver Democrats. John Beno from Pueblo is a tough politician but needs a strong leader to keep him under control and working with the state organiztion.

The Early Carters are slowly being brought into the state organization but still feel slightly left out of the state party. All the state elected officials and Congressional members have good rapport with the state party.

III. APPOINTMENTS

U.S. Attorney -Joseph Dolan
U.S. Marshall -Rafael E. Juarez
FHA State Director -Ernest C. Phillips
ASCS Executive Director -Charles "Bud" Bishop
Members: Hobart Hallock
Doyle Neiman
Jim Frye

Washington, D.C.

ACTION, Director: Samuel Brown
Labor, Under Secretary: Robert Brown
HEW, Assistant Secretary of Education: Mary Berry
Agriculture, Deputy for Public Affairs: Stanley Weston
State, Ambassador to German Democratic Republic: David B. Bolen

Boards and Commissions

Four Corners Regional Commission -Floyd K. Baskette Weather Modification Advisory Board -John William Firor

Region VIII Directors
HEW, Wellington Webb
EPS, Al Muson
HUD, Betty Jane Miller
Commerce, Steve McNichols
Labor, John S. Mrozek

U.S. Mint - This has been very slow and has caused a lot of controversy. Consensus candidates from Colorado were Evelyn Davidson and Pearl Alperstein. Ms. Davidson was the preferred candidate and Clerk of the Colorado legislature. The Treasury Department wants someone who has had managerial experience and who is preferably a Mexican-American. They were considering Jose Torres, a Republican who switched his party registration last spring to get the job. All elected and party officials were furious at this possible appointment. The Treasury Department has asked for new candidates to be submitted with the required managerial and Chicano background. They are holding off filling this post until those are received from the Senators and state party.

YV 1976 Election Results

	Ford	Carter	McCarthy
Statewide	54%	43%	3%
	578,413	456,886	25,945
Denver Cou	nty 47%	50%	2%
	105,980	112,241	5,384
CD 1	47%	50%	2%
	105,960	112,229	5,386
CD 2	58%	39%	3%
	129,910	86,066	7,393
CD 3	53%	46%	2%
	112,823	98,085	4,305
CD 4	57%	40%	3%
	104,651	73,460	4,686
CD 5	48%	35%	16%
	125,654	92,065	42,075

THE WHITE HOUSE

WASHINGTON

October 19, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT KATHY FLETCHER Stu

SUBJECT:

Andrus Memo on Water Policy

Study Timetable

I fully agree with Secretary Andrus' recommendation that the current timetable for the Water Policy Study be maintained but that you express complete willingness to be flexible when you receive the recommendations in February.

Secretary Andrus has also suggested that you make a commitment to the Western Governors in Denver not to make any final decisions until you have consulted with them at the February 26 National Governors Conference in Washington, D. C.

Proposed talking points for your Denver meeting will reflect these points.

Attachment



United States Department of the Interior

OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

MEMORANDUM FOR THE PRESIDENT

FROM : Secretary of the Interior

SUBJECT: National Water Policy Review

Pursuant to our conversation on your upcoming western trip, this memorandum presents the National Water Policy Review options.

Because of the original time frame for the Water Policy Study, and the resulting manner in which Interior initially approached the study, we have generally alienated the West. Because western objections to any modifications of existing water policy are widespread and intense, we should reassess the best pragmatic course of action to accomplish our original water reform objectives.

Option I

Proceed with the study as it is currently scheduled.

- The antagonisms of the West will be increased and the political debate will occur during the height of next year's campaign. Further, we may well lose on both counts the election and the issue.

Option II

Announce now that we are going to modify the study, dropping the most difficult and controversial components. Keep the flexibility to delay the final decision until after you see the results in February.

- This would remove the most difficult provisions which we will be unable to completely address by February, anyway. They are the issues most discussed in the West.
- The remaining issues are important to the budget and to the environmentalists. They are also quite controversial.



- Both sides may focus on the remaining issues, and it may become more difficult to gracefully achieve further delays. The political liability will continue.
- Those to be dropped should only be selected after careful consideration.

Option III

Extend the life of the study for another year as requested by some western Senators, effectively putting off any report, recommendations or actions by the President until after the 1978 election.

- Our environmentalist friends would view this one as caving in.
- It would improve the reelection chances of some Congressional and Gubernatorial Democrats and, if handled properly, could win additional support from the affected Congressmen and Governors. If improperly handled could be seen as a sign of vacillation and weakness.

Option IV

Announce in Denver that you will look at the results of the study in February and will then determine which aspects of the study are ready for decision and which will require further analysis. Announce that prior to that determination you will consider the unique importance of water to the West and that you will consult with Congress, Governors, water users, and others.

- This as part of your speech in Denver will convey a sensitivity on your part on how the water study is being perceived. It will maintain your option to review the results and consider the politics in February.

Recommendation

I recommend the latter option. A strategic decision should be preceded by careful deliberation within the Administration.

ECIL D. ANDRUS

SUGGESTED TOPIC OUTLINE: ROUNDTABLE DISCUSSION ON WATER

- I. Presidential remarks
- II. Special Western water problems
 - A. Role of water in the West
 - 1. water-short area
 - 2. competition among users and demands:
 - a. agriculture
 - b. energy and other industrial development
 - c. urban and suburban growth
 - d. recreation and environmental quality
 - e. other
 - 3. need for water storage
 - 4. need for water conservation
 - B. Agricultural water problems
 - 1. drought/conservation
 - 2. competition with:
 - a. urban areas
 - b. energy development
 - 3. future of agriculture in Colorado, West
 - C. Urban water issues
 - 1. urban/suburban growth
 - 2. conservation/recycling
 - Denver's situation (& suburbs)
 - 4. water quality
 - D. Water rights issues
 - 1. Indian water rights
 - 2. federal and state water rights
 - litigation and legislative solutions to conflicts
 - E. Industrial water issues
 - 1. economic growth
 - 2. competition with other users
 - 3. energy development
 - 4. water quality
 - F. Competition between states and regions for water
 - 1. interbasin transfers
 - 2. overappropriated rivers, esp. the Colorado R.

III. Water policy issues

- A. Are there common principles for national water policy?
 - 1. conservation
 - 2. cost-effective investments
 - 3. environmental protection
 - 4. other
- B. What reforms are needed in federal water policy?
 - 1. federal government organization
 - 2. need for water conservation programs
 - 3. needed improvements in federal programs
 - a. irrigation programs
 - b. flood control
 - c. waterway transportation
 - d. water quality programs
 - e. other
- C. Proper roles of:
 - 1. States
 - 2. Federal government
 - 3. Local governments
 - 4. Individuals

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WESTERN WATER ISSUES

Appropriation System: Western water rights are governed by the appropriation doctrine, rather than the "riparian" doctrine typical of other parts of the country. Under the appropriation doctrine, water users obtain property rights to water through a seniority system ("first in time, first in right"). Appropriators must use the water in order to retain rights to it ("use it or lose it"). Water rights are administered by the states, and each Western state has varying procedures and restrictions.

Competition among users: In dry years or in drainages where potential uses exceed water supplies, junior appropriators must yield to senior appropriators. State officials determine when certain appropriators are not entitled to divert water. Water rights can be transferred (sold), although there are some restrictions on changes in use. Energy companies have generally been obtaining water rights by buying up agricultural land and the accompanying water rights. Urban areas have in some places been able to condemn agricultural water rights. Because energy companies and urban areas can generally pay more for land and water than agriculture, some states have begun to place increasing restrictions on change of water use from agriculture to other purposes.

Indian rights: Indian water rights significantly complicate the situation. Most Indian water rights have not yet been quantified. When they are, they will be senior to most non-Indian water rights, potentially causing conflicts. Indian treaty water rights in many instances will be quantified in the federal courts, although legislative solutions may be necessary as well.

Federal water rights: The federal government is entitled to water rights sufficient to protect the purposes of the federal lands ("federal reserved rights"). Most of these federal rights have also not yet been quantified.

Instream flows: Another complication is the need to protect "instream" values such as fish and wildlife. The establishment of "minimum streamflows" has to be reconciled with existing water rights. States, including Colorado, have begun to try to establish a firm legal basis for protecting minimum streamflows.

Jam & Ham &

Indiana 15 ?

Teda

WESTERN WATER ISSUES (cont'd.)

Interstate allocations: States allocate <u>intra</u>state uses, but water allocation <u>among</u> states is also of critical importance:

Interstate agreements (compacts) exist to divide the waters among states in each of the interstate river basins in the West. The Colorado River is a prime example of the heated disputes which exist among the states over water rights. Although the streamflow of the Colorado River has been divided through Interstate Compacts, the actual streamflows are much smaller than when the calculations and allocations were made. Indian rights were also not adequately considered. This explains each state's desire to complete rapidly as many reservoir projects as possible in order to protect its portion of the overoptimistic allocations. Several water projects in Colorado (two of which were deleted from the budget for FY78; others of which are funded) would impound and divert Colorado River Basin waters, as will the Central Utah Project and the Central Arizona Project. The Colorado increasing water depletion is causing increased salinity of the River (due to less dilution of natural salinity and to saline irrigation return flows) and to continued downships inability to meet our treaty obligation. inability to meet our treaty obligations for water quantity and quality to Mexico.

COLORADO WATER ISSUES

General Colorado Water Background: Colorado has low rainfall -- average of 7-15 inches of annual precipitation -- and suffers periodic droughts. Water availability is critical for agriculture, industry and urban areas.

Geographically, Colorado is divided by the Rocky Mountains into two halves — the "Eastern Slope" where Denver and most of the population are located, and the "Western Slope" (the Colorado River headwaters) which is much less populated but much better supplied with snowfall and resultant water. This dichotomy is basic to water problems in Colorado. Denver and much of Eastern Colorado agriculture are dependent on transmountain diversions of water out of the Colorado River Basin (from the Western Slope). At the same time, water shortages in the Colorado

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COLORADO WATER ISSUES (cont'd.)

River and projected energy development on the Western Slope (where much coal and all oil shale reserves are located) heighten Eastern-Western Slope disputes and cause intra-Western Slope competition for water supplies.

The heavy competition for water has spurred interest in water conservation. At the same time, it is obvious why the politics of stopping water projects is difficult. However, the economic importance of tourism, fishing and recreation has led to strong interest in preserving streamflows. And concern about air pollution, boom towns and urban sprawl have led many to view water management as a planning tool.

Colorado water projects: The Carter Administration review of ongoing water projects led to a recommendation to delete three Bureau of Reclamation projects in Colorado:

Narrows, Fruitland Mesa, Savery-Pot Hook. Two others -
Dallas Creek and Dolores -- were reviewed and subjected to public hearings but were recommended for continued funding. All three of the Colorado projects recommended for deletion were deleted by the Congress, leaving project proponents in Colorado angry both at the Administration and at the Congress. All three projects are controversial in Colorado, however, and the Administration has some support. Congresswoman Pat Schroeder fully supported the Administration's efforts to delete water projects, including those in Colorado.

Fruitland Mesa and Savery-Pot Hook -- both in Western Colorado -- had costs far outweighing benefits, and tremendous investments per farmer (over \$1 million in the case of Fruitland; approximately \$750,000 in the case of Savery-Pot Hook). Governor Lamm and others argue that if the federal government does not build such projects for farmers, the energy companies will grab the water. The Administration stated that unwise federal investments should not be used as substitutes for wise planning and controls on energy development. Senator Hart privately indicated that he agreed these two projects were unsound.

Narrows -- located northeast of Denver -- was strongly supported by the governor and the delegation (except Schroeder) but is very controversial in the local area. A combination of questionable economics, social impact (3 communities to be flooded), the need to further consider alternatives, and safety questions led to our decision to recommend deletion.

Mod/shale on w slope

COLORADO WATER ISSUES

Drought in Colorado: Colorado continues to be dry over the whole state. However, during the past 10 days some much-needed rain amounting to nearly an inch in some locations have been experienced in areas west of the Continental Divide. This is the region that has been experiencing the most severe drought in the past several months.

Scattered light rains in the past week have also fallen in the agricultural areas in the Eastern part of the state.

The most severe impact of the prolonged precipitation deficiency in the state is in the streamflow and ground-water supplies. Repair of this situation will require unusually abundant winter precipitation, especially snowpack accumulation in the mountains.

DENVER AREA WATER ISSUES

General Background: Denver's water supply is imported from the Western Slope. The Denver Water Board, a semi-autonomous government agency responsible for Denver's water supply, has been a controversial advocate of continued growth and expansion in Denver's water supply. At the same time, Denver has been slow to institute water conservation efforts. Most Denver residences do not have water meters and the water pricing structure does not promote conservation. However, during this

past summer, due to the drought, lawn watering was restricted to designated days. (Peak usage is caused by lawn watering and Denver's system has been designed to meet unrestricted peak days.) The population was cooperative and a great deal of water was saved.

The Foothills Project: Continued expansion in Denver's water supply is a very controversial issue tied to the issues of population growth, urban sprawl and air pollution in the Denver area. A proposed new Denver Water Board dam, reservoir and water supply treatment facility (the Foothills Project) has brought these issues to a The Department of the Interior (Bureau of Land Management) has issued a draft environmental impact statement on the project, because of federal rights-ofway involved. The Environmental Protection Agency has taken a position against the project because they object to the project's assumptions -- that Denver's population will double by the year 2000 and that substantial water conservation efforts will not be instituted. EPA feels that Denver's current violations of air quality standards due to the automobile will only worsen if efforts are made to accommodate a doubling of the population. Interior Department is scheduled to determine in early 1978 whether federal rights-of-way for the project will be permitted.

The Denver Water Board points out that the Foothills Project first phase will be only one-quarter of the capacity planned for the year 2000 and that planned expansions beyond that will be decided later. Opponents to the Foothills Project fear inexorable momentum for continued expansions, including the construction of yet another reservoir, the controversial Two Forks project. The Denver Water Board also states that the population growth will occur regardless of expansions in water supply, and that water should not be used as a growth management tool.

Northglenn water recycling efforts: Some Denver suburbs are instituting innovative solutions to water problems. Northglenn has worked out a cooperative arrangement with farmers under which the town will "borrow" the farmers' water, use it, treat it, and the farmers will irrigate with the treated effluent. This is an approach which preserves agricultural water rights and yet accommodates urban growth.

THE WHITE HOUSE

WASHINGTON

October 20, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON Jach

SUBJECT:

Western Democratic Governors' Participation in the

Denver and Los Angeles Stops on Your Trip

At our invitation, ten Governors and one Lieutenant Governor will come to Denver to participate in the western portion of your trip. Those attending include:

Governor Wesley Bolin of Arizona**
Governor Richard Lamm of Colorado**
Governor John Evans of Idaho
Governor Thomas Judge of Montana
Governor Mike O'Callaghan of Nevada
Governor Jerry Apodaca of New Mexico
Lt. Governor Wayne G. Sanstead of North Dakota*
Governor Robert W. Straub of Oregon
Governor Richard Kneip of South Dakota
Governor Scott Matheson of Utah
Governor Ed Herschler of Wyoming**

- * Lieutenant Governor Sanstead is legally Governor while Governor Link is out of the country. Sanstead is a Democrat.
- ** Governors Bolin, Lamm, and Herschler will attend the Denver sessions but not continue to Los Angeles.

The Governors' schedule will be as follows:

o Observe but not participate in the Water Policy Roundtable Discussion from 1:30 to 3:00 p.m.

- o Private unstructured meeting with you from 3:15 to 3:45 p.m. Topics expected to be raised include:
 - -- Water Policy Review (Governor Matheson as the lead Western Governor on water matters will ask the first question on this, probably asking for an extension of some deadlines for the federal policy review)
 - -- Water Project Cancellation
 - -- Water for coal slurry pipeline
 - -- Agricultural Policy
 - -- Agricultural Prices
 - -- Consultation with Governors on Presidential appointments (Governor Kneip will take the lead on this in his role as Chairman of the Democratic Governors Caucus)
- o Observe the portion of the Panama Canal briefing from 3:45 to 4:15 p.m. during which you make your remarks.
- o Motorcade to Denver airport with you and fly on Air Force One to attend the fund raising dinner in Los Angeles. Cecil Andrus and I will be on the plane to continue the discussion begun in the private session in Denver.

You may wish to spend some additional time with the Governors in flight.

Attachment

WATER ISSUES FOR DISCUSSION WITH GOVERNORS

Timetable for water policy study

Secretary Andrus suggests that you make a commitment to consult with the Governors at the National Governors Conference on February 26 in Washington, D. C., before making final any of your decisions from the water policy review.

Water projects

Outside Colorado, several other Western projects were recommended for deletion or modification in FY1978. Status:

Central Utah Project (Utah -- Bureau of Reclamation) -- 'you have indicated it should proceed as appropriately modified

Central Arizona Project (Arizona -- Bureau of Reclamation) -- you have indicated it should proceed as appropriately modified

Garrison Diversion Project (North Dakota -- Bureau of Reclamation) -- status uncertain because of serious international implications, as well as litigation requiring further analysis and possibly project reformulation

Oahe Project (South Dakota -- Bureau of Reclamation) -- deleted by the Congress as recommended by the Administration

Auburn Dam (California -- Bureau of Reclamation) -- funded by Congress, but contingent upon further safety analysis

Applegate Lake (Oregon -- Corps of Engineers) -- funded by the Congress against your recommendation

COLORADO GENERAL ISSUES

ENERGY ISSUES

General: Colorado has strippable and deep coal reserves distributed throughout the state, substantial uranium reserves and large oil shale reserves in northwest Colorado. The climate is sunny and there is a great deal of interest in solar energy as well. The national Solar Energy Research Institute was awarded to Colorado with a site in Golden. Boom town issues, strip mine controls and air quality impacts of energy development are major concerns.

Primarily because of Western coal interests, many energy companies now have regional headquarters in Denver and are a significant political force.

Nuclear issues are also important, although there is only one nuclear power plant -- the Ft. St. Vrain High Temperature, Gas-Cooled Reactor which has had continuing technical problems. Problems at a plutonium weapons facility near Denver (Rocky Flats) have been the focal point of nuclear concerns. A nuclear safety referendum failed to pass last November. Uranium development is the most significant impact in Colorado of nuclear power.

Energy conservation is an important issue. The Governor recently established by Executive Order an Office of Energy Conservation. There are also citizen-sponsored efforts in the Public Utilities Commission to establish energy conservation pricing of electricity.

Energy impact assistance is the principal energy interest of Governor Lamm, who has spear-headed joint efforts of Western governors to obtain increased federal aid.

Coal: 1976 production of coal was 9.4 million tons, 6.8 million tons strip-mined. Production is growing, particularly strip-mine production in the northwestern part of the state, where the Interior Department recently approved three new strip mines and a railroad to accommodate increased coal development in the area. Several large coal-fired power plants are proposed or under construction in the same area. Craig, Colorado, is an energy boom town in northwest Colorado which has been hardest hit by the rapid coal development.

There is a controversial proposal for a coal-fired plant near Brush, Colorado -- 70 miles northeast of Denver -- to use Wyoming coal. Local farmers have succeeded in forcing stricter air pollution controls.

ENERGY ISSUES (cont'd.)

The state has a very weak strip mine law, but Governor Lamm was supportive of the Federal Strip Mine Bill.

There are two federal oil shale leases in The Depart-Colorado, as well as large private holdings. ment of Interior has recently approved development plans for both federal tracts. With financial assistance from DOE, one tract (Ashland and Occidental Oil Companies) is commencing development using a "modified in situ" process where 15% of the material is mined out and the oil extraction then takes place underground. Unresolved air quality, groundwater and procedural questions remain. The oil shale industry was successful in obtaining a \$3 per barrel tax credit in Senator Long's Committee as part of the energy legislation. The economics of oil shale continue to appear unfavorable.

Impact Assistance: Governor Lamm is chairman of a National Governors' Association committee on energy impacts. Energy Department officials met last week with him and Governor Judge of Montana in Denver to discuss a federal-state task force which will examine the problem. The meeting was amiable, and the schedule calls for delivery of the task force's report to you in mid-December. Senator Hart has a bill, which has not been acted on as yet in the Congress, that would create a new inland energy impact program.

AGRICULTURE ISSUES

Farm bill/farm prices: Farmers in Colorado are as displeased as those in Iowa and elsewhere. Farmers Union plans a demonstration during your visit.

The <u>Denver Post</u> reports that a state survey shows Colorado ranchers and farmers have strong statistical support for their complaint that they are being squeezed by high production costs and low prices. In 1976, net farm income in the state plunged to \$265.3 million, 38 per cent less than in 1975 and 43 per cent below 1974, making it the lowest it has been since 1970. Net farm income for ranch and farm operators averaged \$8,992 in 1976, the lowest since 1971. Meanwhile, production costs rose 13 per cent last year to the highest point in 10 years.

AGRICULTURE ISSUES (cont'd.)

Grazing fees: Under the Federal Land Management and Planning Act of 1976 (Bureau of Land Management Organic Act), the Interior and Agriculture Departments must submit to Congress by October 21 a report on grazing fees for public lands. This is one of the most volatile Western issues, particularly with the depressed cattle industry. Secretary Andrus will be briefing Western governors and cattlemen and other public groups in Denver on October 21. Seven alternatives were considered by the Departments and the recommended alternative would phase in a "fair market value" system over four years, taking into account the value of comparable non-federal land. will mean an increase from \$1.51 per animal unit to \$1.89 in March, 1978. If the Congress takes no action to delay the implementation of the increases, proposed regulations will be published when the Congress recesses, to be made final after 90 days. Westerners will seek a moratorium on implementation. Secretaries Andrus and Bergland will proceed with implementation if Congress does not move for a delay.

MINERALS ISSUES

Mining law reform: Secretary Andrus has proposed repeal of the archaic 1872 Mining Law and the establishment of a leasing system for public minerals (the 1872 Act is a "finders-keepers" system). This proposal would make hardrock (gold, copper, etc.) mineral leasing similar to systems for coal and oil and gas, although special prospecting provisions would exist. The proposal is strongly opposed by Western miners. One former advocate of 1872 Act reform, Mo Udall, has backed off because of strong pressure from the copper industry.

Minerals depletion allowance: The Administration's tax reform package is rumored to eliminate minerals depletion allowances. This is also strongly opposed by Western mining interests.

Administration Non-fuel Minerals Policy Study: At your direction, Secretary Andrus and Frank Press have designed a study of minerals policy, following up on your meeting with Congressman Santini and other Western Members of Congress. The study is being designed to follow the new Domestic Policy Review System and will formally commence

MINERALS ISSUES (cont'd)

very soon. You might wish to announce this sutdy while you are in Denver. Secretary Andrus will chair the study, and Stu Eizenstat will coordinate under the Domestic Policy Review System. The study will examine supply and demand issues on a mineral-by-mineral basis and will take approximately 12 months.

DENVER AIR POLLUTION

Denver has an extremely severe smog problem because of automobile pollution and meteorological conditions. Air pollution is ahead of schools, welfare and taxes as the major concern of Denver area voters. EPA is proposing to make Denver a national air quality demonstration city. Because of the severity of the problem, EPA feels that a few years of concentrated effort can visibly improve the situation. Substantial decrease in automobile reliance will be necessary. DOT is assisting with bus programs in the Denver region. EPA would like you to mention this Administration's intention to work with the State of Colorado to vigorously attack the air quality problem in Denver, if the opportunity arises.

THE WHITE HOUSE

WASHINGTON

October 20, 1977

STATE BRIEFINGS ON PANAMA CANAL TREATIES

Saturday, October 22, 1977 3:50 P.M. (30 minutes) The Silver Room Denver Hilton Hotel

From: Hamilton Jordan

I. PURPOSE

To motivate a grass-roots effort among public opinion leaders to support a treaty ratification.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. <u>Background</u>: This is the eighth in a series of briefings the White House has sponsored for opinion leaders from the states. This briefing will be almost identical to the ones you have held at the White House. The guests are from eight states: New Mexico, Arizona, Nevada, Colorado, Montana, Wyoming, Utah, and Idaho.
- B. Participants: We expect approximately 150 citizens to attend. Most, but not all, of the Senators helped us with the invitation lists. Additionally, the Governors who are attending the water meeting will come into the Panama Canal briefing at the same time you do.
- C. Press Plan: Denver public television will be covering the briefing live. A still camera pool will be allowed in for the first of your presentation. The entire briefing will be covered by all press through monitors set up in the pressroom. This is the first time one of these briefings will be completely open to the press.

AGENDA

SATURDAY, OCTOBER 22, 1977

2:00 P.M.	A Global Perspectiv	Te Dr. Zbigniew Brzezinski Assistant to the President for National Security Affairs
2:25 P.M.	The Treaties	Ambassador Sol Linowitz
	•	
3:10 P.M.	Break	
3:20 P.M.	National Security Perspective	Dr. Harold Brown Secretary of Defense
		General George Brown Chairman, Joint Chiefs of Staff
3:50 P.M.	Remarks	President Carter

Moderator:

Ambler Moss, Deputy Assistant Secretary of State

LOS ANGELES

AIRPORT VIP LIST

Governor Jerry Brown

- --Publicly came out against the Soviet-American statement on the Middle East
 - --Is calling for more outer space exploration (politicians believe this is a move to counteract B-1 Bomber decision and its adverse effect on California workers)

Lt. Governor Mervyn Dymally

- --Former Assemblyman and Senator
- -- Native of the West Indies
- --Respected in the Black Community
- --Moderate
- --Has announced he is considering running for the Congressional seat in the 28th C.D. and will make his final decision on whether to run for that race or seek re-election as Lt. Governor by Dec. 1.

State Treasurer Jesse Unruh

- --Former Speaker of the Assembly
- -- Ran for Governor against Ronald Reagan
- -- Endorsed President Carter in Maryland primary
- -- Met with President in February, 1977
- -- Was and is extremely supportive of Carter
- --Most likely will run for Lt. Governor in 1978

Secretary of State March Fong Eu

- --Former Assemblywoman from Oakland
- -- Elected in 1976
- --Moderate
- --Very supportive of Universal Voter Registration
- -- Met with the First Lady in March

Comptroller Ken Cory

- --1st term and is running for re-election
- --May have problems because of identification with indicted financial backer
- --Won election by saying "Person Most Feared by Oil Companies"
- -- Former Assemblyman from Orange County

Los Angeles Airport VIP List (continued)

Mayor Tom Bradley

- --Won re-election with 60% of the vote
- --Former City Councilman (10 years)
- --Former Los Angeles Policeman (20 years)
- --Extremely helpful in general election
- -- Met with President Carter at White House on April 26th.

State Assembly Speaker Leo McCarthy

- --Speaker of the Assembly since 1974
- --Assemblyman from San Francisco
- --Good relationship with Governor Brown
- -- Against Proposition 14
- --Liberal
- --Defeated Willie Brown for Speaker two times

President Pro Tem of the Senate James Mills

- --Former San Diego Assemblyman
- -- Elected to Senate 1966
- --Moderate
- -- Teacher; Historian; Museum Curator
- --Most likely will be challenged for President Pro Tem is regarded as a weak leader

State Assemblyman Howard Berman

- -- Majority Leader of the Assembly
- -- Young, Liberal, Jewish
- --Closely allied with Congressman Waxman
- -- Dinner is being held in his district.

State Party Chairman Bert Coffey

- -- Newly elected Party Chairman
- --Former Northern Chairman
- -- At odds with Bruce Corwin Southern Chair
- --Disagrees with National Committee concerning fundraising; feels that DNC should not take California funds out of State
- --Owns private research firm
- -- Very active in Carter general election

Southern Chairman Bruce Corwin

- --Very early Carter supporter
- --Newly elected Southern Party Chairman, defeated Dick O'Neill in a tough fight
- --Works with the movie industry
- -- Has been working with us on dinner.

POLITICAL OVERVIEW

CALIFORNIA Kevin Smith, DNC

I. KEY POLITICAL RACES

A. GUBERNATORIAL

Governor Jerry Brown is expected to win re-election easily over Attorney General Evelle Younger who presently looks like the strongest Republican hopeful. Other likely Republican candidates are San Diego Mayor Pete Wilson, Los Angeles Police Chief Mack Davis and Fresno State Assemblyman Kenneth L. Maddy.

B. CONGRESSIONAL

Yvonne Burke recently announced she will retire from the House and has all but announced for the Attorney General post. Attention is now focused on her seat in the 28th C.D.

On Tuesday of this week, Lt. Governor Merv Dymally held a news conference to announce that he is considering running for this seat and will make his final intentions known on December 1. If he does not run for Congress, Dymally is expected to run for re-election for Lt. Governor. Dymally says that if his political ally, Assemblyman Julian Dixon (D-LA) decided to run for the seat, that he, Dymally, would not. Other possible contenders for this race are: State Senator Nate Holden (D-LA) and L.A. City Councilman and Carter supporter Dave Cunningham.

C. LT. GOVERNOR

Whether or not Dymally seeks re-election, Jesse Unruh may run for Lt. Governor. Since the Lt. Governor has the constitutional authority to act as Governor, Unruh, who believes Brown is running for President in 1980, would enjoy being in a position to make it difficult for Brown to leave the State for fear that Unruh as Lt. Governor would move to fill appointments and act upon legislation.

D. STATE LEGISLATURE

Twenty of the 40 Senate seats are up for election in 1978. Seventeen of these are Democratic. This is a particularly important

election for the next Senate will be responsible for re-districting in California. State Senator Omar Raines is heading the Campaign Committee. All 80 of the Assembly seats are up for election.

II. THE PARTY

Bert Coffey, State Party Chairman, has used this Presidential visit as an effective format to reach the media to complain about the DNC and the Carter Administration. His basic theme has been that he will not receive enough money from the event (7.5% of the net proceeds has been allocated to the state party) and that the President should not come to California just for a "fat cat" event. By following this theme consistently, Coffey has been able to establish an adversary role with Washington. His actions should be viewed as a party chairman attempting to save face at home since during his 9-month tenure as Chairman he has not been able effectively to lead the party in organization or fundraising.

III. THE DNC DINNER

The local media has played up the Administration's Middle East position as being detrimental to ticket sales. This feeling has been enhanced by the general attitudes of community leaders such as Hershey Gold who has claimed that he has been rendered helpless due to the Jewish community's reaction to what has been happening in the Middle East. California State Party Chairman, Coffey, has also used the Middle East as an issue for complaint. It should be noted, however, that 60 tables at \$10,000 a piece have been sold to date 10/18. Arthur Krim has stated that while \$1 million is the going rate for New York, \$500,000 is all that can reasonably be expected from the West Coast. Krim draws this conclusion from his years of experience organizing fundraisers under the Kennedy and Johnson Administrations.

IV. DEMONSTRATIONS

A variety of interest groups are rumored to be organizing protests for the night of the 22nd: the Christian Friends of Israel have planned a fast and prayer sit-in beginning on October 20-22. The California Growers supposedly intend to protest the Department of Interior's policies with a brigade of marchers and tractors. And there is also a coalition of anti-neutron, anti-nuclear, Welfare Rights, Job Coalition, ADA and California Democratic Council groups demonstrating against Administration policies in general.

LOS ANGELES -- ISSUES

160-Acre Limitation—This is a major issue in Southern California. In 1902, Congress passed the Reclamation Act, which limited the number of acres which could be owned if irrigated by federally funded projects to 160 acres per family member, and required residency on or near the land. In the Imperial Valley and a few other areas in California, residents and the Bureau thought this law did not apply. In Westlands and some other areas, enforcement has been spotty. The Federal courts have ruled that the law must be enforced in all of these areas, and you recently stated that you intended to do so. The Interior Department has recently proposed regulations setting up procedures for sale of "excess" lands.

However, some people are encouraged by your statements that massive developments in technology and the market necessitate larger acreage and therefore the law needs to be changed. Others in California are concerned that you may be siding with the large growers against the small farmers. The issue is under study by both DOI and USDA. DOI will be conducting 10 field hearings and the USDA is developing a socioeconomic analysis. You and Secretary Andrus have said it would be premature to suggest changes now. No precipitous action has been proposed by Interior's regulations, in any event. No water service would be immediately curtailed by the regulations; even in the Imperial Valley landowners would have one year to sign agreements and at least five years to comply.

A demonstration is planned by opponents of the 160-acre limitation during your visit. A turn out of several thousand people with a 75 tractor caravan is expected. About 30 of these demonstrators will attend the fund raiser.

Illegal Aliens—The cost of providing social services to this high influx of people is a major concern particularly in Ios Angeles and San Diego. The statistics on the subject are largely guess work, and since both the Police Chief of Ios Angeles and the Mayor of San Diego want to run for Governor, the issue has become a political one. Studies show that illegal aliens pay taxes and contribute much more than they use in social services. The Aliens Message asks that revenue sharing formulas be changed to count aliens.

<u>Mid-East--This</u> is a sensitive issue here, and you might be asked if recent developments have affected attendance at the dinner.

School Integration—A federal court has ruled in the Crawford Case that Los Angeles must desegregate their schools. It is expected that busing will be used in the 4th-8th grades.

Water—The Auburn Dam has had funding restored by Congress which is contingent on a safety study of nearby faults.

Governor Brown is supporting a controversial multi-billion dollar Peripheral Canal project to bring additional water from Northern to Southern California. The state is seeking Congressional support to make this a federally funded project.

Approximately 85 percent of all water demand in California comes from agriculture. Latest studies suggest that 1977 agriculture losses in the state will total \$800 million, causing a decline in net farm income by 17 percent, although production levels are about the same as last year.

Since most reservoirs contain only about 15 percent of available capacity, as many as 10,000 new ground wells have been drilled this year, and these will account for about half of the water used by agriculture by the end of the year. Agricultural impacts of the water shortage would be severely felt if drought continues in 1978.

Southern California is constructing expensive (\$600 million) waste water treatment facilities as required by the Federal Water Pollution Control Act Amendments of 1972. Many oppose this legislation on the basis of cost. State and federal funding total 87.5 percent of the capital cost. The local match is 12.5 percent and the costs for operation and maintenance. The Los Angeles sewer bond recently failed passage. EPA has filed suit in District Court to require Los Angeles City to implement the Interim Sludge Project and Secondary Treatment Plan.

It should be noted that State and local requirements are frequently more stringent than those mandated by Congress. For example, California has stricter air quality standards than the Federal government. Also, environmental contracts have created 85,000 jobs in California through EPA construction grants for waste water treatment plants.

Transportation—Secretary Adams recently announced FAA participation in the cost of the local purchase of the Hollywood-Burbank Airport. The Secretary has also reaffirmed that the Concorde landing is a State and local issue.

Land--GSA has recently transferred \$13 million worth of excess Federal lands to Los Angeles, including 200 acres for park and recreation use.

Price of Alaskan Oil—The cost of crude oil to U.S. refiners is equalized through a system of inter-refiner payments; irrespective of a particular refiner's access to lower tier (\$5.52 per barrel), upper tier (\$11.35), or uncontrolled crude oil (\$14.41).

FEA decided to treat North Slope production as "uncontrolled oil" for purposes of the equalization program, which means that domestic refiners pay "world" prices for North Slope crude oil (about \$14.41).

North Slope Oil is sold both on the West and Gulf Coasts. Since it obviously costs more to get it all the way through the Canal to the Gulf Coast, the producers make more on West Coast sales. This differential is an incentive for North Slope producers to discount their oil in California in order to sell more oil there and avoid the higher transportation costs of going to the Gulf Coast. This action would depress an already depressed market for California crude oil production.

To date, there is no evidence that North Slope producers have discounted on the West Coast; DOE is monitoring the situation closely.

SOHIO-By March 1978, when Pump Station No. 8 is repaired, Alaska pipeline throughput is expected to be 1.2 million barrels per day.

Tanker shipment through the Panama Canal is the only acceptable short-term option for handling surplus oil (approximately 500,000 barrels per day) until an overland transportation system is constructed. Five proposals for such systems currently exist; one is the controversial SOHIO project from Long Beach, California to Midland, Texas. The Administration has not endorsed any specific project.

The SOHIO project is currently scheduled to have a final decision on all Federal and State permits by early January 1978, before any legislation is likely to be passed. California's previously hostile position toward the project has changed dramatically in the last few months, particularly since the President announced he would authorize a western leg on an Alaskan gas transportation system and State officials are now working hard to see that the project is approved.

Military—Approximately 8,000 Rockwell employees will be laid off as a result of the B-l Bomber decision, according to recent news sotries.

Welfare—The Ios Angeles County Board gave an early and strong encorsement of the welfare reform plan. State officials probably will not publicly endorse the plan for political reasons. The preliminary estimate is that California will receive the second largest amount of fiscal relief, about \$400 million.

Olympics—Los Angeles was selected by the Olympic Committee as this country's candidate for the site of the 1984 Olympics.

Mayor Bradley--You might be asked if the Mayor will be appointed to ACIR. Jack Watson has talked with the Mayor and told him that a decision would be made within the next two months.

CALIFORNIA DNC DINNER VIP'S

Lew Wasserman

- -- Chairman of the Board, MCA, Inc Universal City Studios
- --Active in Democratic fundraising for Presidents Kennedy and Johnson and Chairman Strauss
- --Binding force holding dinner together during recent turmoil in Jewish community over Mideast policy
- --Very steady and good friend of the Democratic Party

Chuck Manatt

- -- Chairman of the Board, First Los Angeles Bank
- --Lawyer
- -- Former State Party Chairman
- -- Executive Committee of the DNC
- --One of the three most important people who worked on the Salute to the President Dinner
- --Instrumental in involving non-Jewish members of community in the dinner

Walter Shorenstein

- --Chairman of the Board, Milton Meyer Co. (Developing firm in SanFrancisco area)
- -- National Finance Council Member of the DNC
- --Active in Democratic fundraising for Presidents Kennedy and Johnson and for Chairman Strauss
- --Walter did in the North what Wasserman did in the South important in holding dinner together during recent turmoil over Mideast policy.

Joe Smith

- --Chairman of the Board, Elektra/Asylum Records
- -- Early primary supporter
- --Worked entertainment community for the dinner

Gary Familian

- --Wealthy Jewish businessman
- --Ran against Congressman Robert Dornan (R-27th Ca) 1976 with much financial support from the Jewish Community
- --Involved in Democratic politics since 1968 supporter of both the state and national Democratic party
- --His father is the single largest contributor to Jewish causes in the Los Angeles area

California DNC Dinner VIP'S (continued)

Jerry Weintraub

- --Chairman of the Board, Management III, Inc; Manages John Denver, Bob Dylan, Neil Diamond, Frank Sinatra, etc.
- -- Early Carter supporter
- -- Large personal contributor and has tried to work on dinner

Set Momjian

- --Active Executive Committee Member of the National Finance Council of the DNC
- -- Representative of the Armenian Community

Bram Goldsmith

-- Chairman of the Board, City National Bank, Los Angeles

Bruce Lee

- --Assistant Director of Region Six, United Auto Workers
- --Executive Committee Member of the DNC

Rosemary Tomick

- --Woman rancher
- --Organized tables for the dinner from the Imperial Valley

John McMillian

- --Wealthy oil and gas man energy related businesses in Utah
- --Executive Committee Member of the National Finance Committee of the DNC

Staff

Elaine Hoffman

- --Democratic National Committee Western Regional Finance Director
- --Organized and "put together" California Salute to the President

John Golden

--Just joined the DNC staff and has begun to work on business community on the West Coast; has done a good job in short amount of time

Trip Jokes

(Note: Apparently there may be signs in Iowa welcoming Tim Kraft back. If these materialize, you might want to take notice of the fact, and say something like, "It was good of Tim to have me along on his trip.")

I promised myself before taking office that my administration would never have an enemies list. But lately I'm finding that we don't have a friends list, either.

They've been saying I might be a one-term President, as if there was something wrong with that. Why, Chester Arthur and Millard Fillmore were one-term Presidents.

Actually, I was sort of looking forward to a second term. It would mean I'd still be President in 1984, and then it wouldn't just be Billy who called me Big Brother.

That'll be the year you're holding the Olympics in Los Angeles, too. The water shortage should make things tough, particularly on the high divers. I understand they're going to have a new event -- the 10,000-meter rain dance.

They talk about Southern California being home for all sorts of weird splinter groups. I didn't believe that till I heard there was a cult out here that worshipped the Big Dodger in the Sky. (Note: the phrase is widely-known in Los Angeles as being that of Tommy LaSorda, Dodger manager -- also the author of, "When I'm cut, I bleed Dodger blue.")

I know how you feel, though. We lost to the Yankees, too -- only that time they burned Atlanta.

Hamilton was out here a few weeks ago. It isn't widely known, but he played tennis with Tracy Austin, who's half his age. She lost badly, but only because Hamilton tricked her. If she'd let him win, he promised her she could play on the Supreme Court.

I notice that one of your living monuments in the motion picture industry has come out for the Panama Canal treaties. John Wayne. I felt very pleased about that, till I remembered that his last big project was the Vietnamese War.

This trip now is actually kind of a warm-up for my trip next month -- Around the World in Eleven Days. People wonder why we're taking such an extensive trip at this particular time, but the reason is simple enough. Freddy Laker made us an offer we couldn't refuse.

I knew it would be a grueling trip, but I didn't realize just how grueling till I heard the plane is called Jet Lag One.

There's been criticism of my trip, of course. One man said I was just running around the world like a blind dog in a meathouse...But it should be fun. How many people can say they've spent Thanksgiving in Lagos?

We've recently decided to add Saudi Arabia to the trip.
We had to refuel somewhere between Lagos and New Delhi,
(1) and Saudi Arabia had the cleanest rest rooms. (2) Somehow
Saudi Arabia seemed like the logical place to gas up.
(3) Saudi Arabia had factory outlet prices.

We're visiting four continents in eleven days. Originally it was going to be three, but we had to add South America. Rosalynn left her sweater there last spring.

My brother Billy was very concerned when I told him about the drought you're having out here -- till he found out I was talking about water.

The Federal Election Commission says the 1976 election cost \$117 million to produce. Seems a little high, since the Harris Poll shows we're only doing 48% at the box office.

Some of my staff was worried when my standing slipped to 48 per cent. I have to remind them that it's not so bad, really. It's only a three-point drop since election night.

Besides, the Gallup Poll gives me 59 per cent. Their check is in the mail. (Note: "Your check is in the mail" is a line from an old show-business gag.)

I understand that one of your splinter groups out here recently predicted that the end of the world would come if the Senate ratified the Panama Canal Treaties. They call themselves the Republican National Committee.

Jerry Ford backs the treaties, of course, and that posed kind of a problem for the GOP. They solved it by cutting off the titular head of their party.

As I've often said, our tax system is a disgrace to the human race -- particularly the expense account lunch. In my new tax package, I propose that you can only write off the other guy's lunch. It's a simple system, really. We call it "Going Dutch."

(For use if there should be a noticeable number of unfilled tables at the fundraiser.) I'm glad we could find a use for this big, empty room. It looks like a victory banquet for the Dodgers.

I know some of you have wondered whether I was capable of dealing in a perfectly even-handed manner with both Arabs and Jews. For the answer to that, I'd refer you to Senators Abourezk and Metzenbaum.

I recently told another audience that I'd rather commit political suicide than hurt Israel. Not that there's much difference between the two things...

I've told the oil companies that I'll agree to deregulate natural gas, if they'll agree to give a few wells to Freddy Laker.

This year is the 50th anniversary of the talkies. I learned just how important that invention was, when the sound went off during the Philadelphia debate.

I'm very happy to be here. Governor Brown sent me a personal > message, but I came anyway.

Actually, I was going to stay with Governor Brown on this trip, but it turns out he doesn't have a guest mattress. (In California, Brown is well known to sleep on a mattress on the floor.)

The truth is Governor Brown and I are very close. He's my advisor on Middle East policy, and I hope you'll take any complaints you may have to him...

They tell me my motorcade was the first time the diamond lane has been used legally. (These unpopular freeway lanes, marked with diamonds, are reserved for motor pools. But everybody uses them.)

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THE WHITE HOUSE

WASHINGTON

October 21, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Your Remarks in Los Angeles on the

Middle East

These are some possible themes -- depending on the circumstances.

The Middle East in Peace

I have often said that the United States will never impose a settlement on the peoples of the Middle East. Peace cannot be born of compulsion, but must spring from a vision of the future. Conscience -- and not coercion -- must be its foundation.

I am totally committed to a strong Israel living in peace, true peace, with all its neighbors. A few years ago, this would have seemed unattainable. It remains elusive, and yet it has a compelling logic.

The Middle East is, after all, a unique region of the world, bringing together two proud and talented peoples who have contributed much to civilization. Rather than devote themselves to the necessities of war, they could together turn the Middle East, with its human and natural riches, into a center of creativity and prosperity. It is this prospect of coexistence, not of domination; of cooperation, not of hostility; of building, and not of destroying that can lift the spirit of those who have suffered so much.

Just think of the consequences of peace for the land that all of us -even if for different reasons -- love: human development would be
enhanced; psychological security would replace gnawing fears; regional
economic development would give Israel a unique and creative role. Is
that dreaming the impossible? I think not.

I have a vision of a Middle East in which people will pray along side one another rather than fighting; I have a vision of a Middle East in which people will move freely across borders once sealed by barbed wire; I have a vision of a Middle East at peace, rather than one that threatens to disrupt international stability and prosperity. This is not a vision that can be achieved without effort, or without commitment. But the first steps can be taken, and this is what we are now trying to achieve.

The peace settlement we seek -- which must include a permanent and secure Jewish state of Israel -- is one that I believe all Americans can support. If at times we differ, let it be clear that those differences are over tactics, not over the objectives that we all support.

THE WHITE HOUSE

WASHINGTON

October 21, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT KITTY SCHIRMER

SUBJECT:

Los Angeles Energy Talking Points -International Emphasis (At Your Request)

- o I have stressed that enactment of a National Energy Plan is crucial to the health and security of our economy. Only a sound and balanced program for conservation and production -- such as we have proposed in the National Energy Plan -- can preserve our vital American economy for our children and grandchildren.
- o But even more is at stake. Our ability to meet this challenge is a fundamental test of our leadership in the world community.
 - -- At the International Energy Agency meeting in Paris two weeks ago, we pledged, along with other member nations, to reduce our joint imports to 26 million barrels per day in 1985. This is 6 to 10 million barrels lower than the import level would otherwise be, and cannot be achieved without a concentrated national energy plan.
 - -- The United States is the single largest purchaser of oil from the OPEC Cartel -- we consume 25% of OPEC exports. We consume more energy than all the Common Market countries taken together, and we import more than half our oil. These trends are getting worse, not better.
 - -- Left unchecked, this growing dependence on foreign oil will lead to rising balance of payments deficits, inflate our dollar, force the export of American jobs, and weaken our international leadership, beginning with the Mideast.
 - -- Our oil import record to date has been disappointing. Between 1973 and 1976 five of our major allies -- Japan France, Italy, West Germany and England actually reduced

their imports. Yet American imports have doubled in the last five years. Our import bill this year will reach \$45 billion -- and will be responsible for a national trade deficit in the range of \$30 billion. We are the world's largest agricultural exporter, and it now takes two year's worth of farm exports to pay for one year's worth of oil imports.

This imbalance simply must not continue.

- o We have the world's strongest and most vibrant economy. All that is needed is the <u>will</u> to act <u>now</u> to preserve our independence in the <u>future</u>.
- o The energy legislation before Congress is a fundamental test of our will as a nation. And it is a test of our ability, as Democrats, to meet the tests of national leadership.

Our country needs your help and your active support for a strong energy plan in the days and weeks to come. And I know I can count on you. **MEMORANDUM**

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THE WHITE HOUSE

WASHINGTON

October 19, 1977

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MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Your California Remarks

(If you touch on Foreign Affairs)

Let me suggest that you address yourself to two themes, human rights and the Middle East. Human rights -- because this is a popular theme, one which helped your popularity, and I believe that there is widespread suspicion that you have retreated on it. A general reaffirmation of your commitment to this theme (without reference to specific countries) will be useful and I believe would also convey something about you personally that is quite appealing, namely dedication to basic values.

You cannot avoid, before that audience, mentioning the Middle East. However, neither a defense or a restatement of your policy is likely to be productive. It will either be suspect or -- if overly reassuring -- potentially conflicting with our ongoing negotiations.

Let me, therefore, suggest a different theme on the subject of the Middle East: that you speak truly from the heart and quite spontaneously about your vision of a Middle East at peace. Drawing on your biblical knowledge, on your genuine dedication to the people of Israel, you could speak quite eloquently and quite spontaneously about what such a peace would mean for the region's human development, social growth, and political security.

You might even borrow Martin Luther King's format and use the phrase several times "I have a vision: along the following lines:

"I have a vision of a land that unites rather than divides the people who inhabit it.

"I have a vision of a land whose people pray together and not fight against each other.

"I have a vision of a land where one dreams of angels instead of seeing soldiers. Etc., etc.

Some of the above may be hyperbole, but you would be the best judge of the mood at the meeting. I think something along these lines could be quite effective for it would convey the needed reassurance without directly catering to irrationality or exaggerated demands. Moreover, knowing as I do know your genuine views on the subject, I am convinced that such a statement of faith by you would be extremely convincing because of its sincerity -- and therefore very effective.

THE WHITE HOUSE

washington October 19, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS Ju

SUBJECT:

Western Water Conference

HUMOR

Jack Watson feels that water is not a laughing matter in the West, and you therefore shouldn't be telling any jokes about it. If you do decide to venture into levity, here are two suggestions:

--You were talking to brother Billy about this trip and you mentioned that the people in the West were concerned about the shortage of water. He said, "What's the problem? Let them drink beer!"

--But actually you've been studying the whole problem very carefully, and you know it's not just a question of drinking water. Some parts of the country get plenty of rainfall -- Georgia gets about 44 inches a year -- and other parts like most of the West get too little -- Colorado, for example, gets about 7 to 15 inches a year. So you asked Cecil Andrus to assemble the best minds in your Administration and see what could be done to correct this. And just before you left yesterday they told you that they'd found the basic problem. They told you that the United States simply tilts the wrong way and if you would just arrange to jack up the East Coast about 2000 yards higher, everybody's water problems would be solved.

SUBSTANCE

Secretary Andrus, Eizenstat, and Watson are in close agreement about what your opening remarks should say. They feel you should mention:

• COMPREHENSIVE WATER POLICY REVIEW. Water is a valuable resource everywhere, but in the West it is the life blood. The prosperity of the West depends on adequate supplies for agriculture, domestic use, energy, recreation, protection of water quality.

You think it's important for the nation to have a rational water policy, and you especially want to talk to Westerners as you are shaping it. There has been a great deal of speculation about this review, which Secretary Andrus chairs. You want to assure everybody that you aren't considering "any federal preemption of state or private water rights." The object of the review is to:

- 1. Make sure federal water programs are accomplishing their purpose at the lowest possible cost;
- 2. Improve water planning and conservation to guarantee that there will be enough water for human needs and for future development; and
- 3. Protect the environmental integrity of rivers and streams.
- TIMING AND COMMENTS. Making a comprehensive study of water policy is a massive undertaking, but you have had to set some deadlines. Public comments are invited until November 20, so that the recommendations can reach you by February. Then you will consult with Governors, Members of Congress, water users and the public at large before developing a final plan. Some aspects are obviously going to require a longer, more comprehensive study but you will need to see what the recommendations are before deciding the next steps.
- CONGRESSIONAL, STATE, AND LOCAL PARTICIPATION. example of the extent to which you take seriously the problems of the West, you have held a series of meeting with the Senators and the House Members from all the Western states, which gave you a chance to hear about the water problems in a no-holdsbarred atmosphere. (After spending so much of your time with foreign diplomats, where the language is usually oblique, you found this Western plain-spokenness a welcome change -in fact, you might just send some of them out to negotiate a few treaties). You've invited the Western governors to this Roundtable and you will talking with them privately afterwards. And representatives of the states are full-fledged members of the water policy review task forces. You're trying to make sure that the insights and wishes of the people who must live with the new water policy are fully taken into account while it is being shaped.

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THE WHITE HOUSE

WASHINGTON

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM FALLOWS K.

SUBJECT:

DNC Fundraiser

Jerry Doolittle has prepared the following energy talking points for the Los Angeles Fundraiser. Suggested jokes for the evening are elsewhere in the book.

- 1. Congress will strengthen your energy plan in some areas and weaken it in others. But the process is only beginning. You will go back to Congress again and again to shore up those weak points. What emerges will be as strong as your efforts can make it.
- 2. But the struggle for a prudent, fair energy policy is not only waged on the national level. It is a challenge for local and state governments as well. California has met this challenge as well as any state in the union -- and in some respects has gone further than your own energy plan.
- 3. An example is the 55 per cent tax credit just passed by the state legislature for homeowners who install solar equipment (the national energy plan only offers a maximum of 40 per cent). Another is an adjustment to the property tax, on the ballot for next June, which will delay for three years any reassessment caused by installation of expensive solar equipment. And a few weeks ago, the Legislature passed a law requiring solar water heating in state buildings larger than 10,000 square feet. These measures have led to an influx of solar manufacturers, as well as great impetus to research and development.
- 4. California is also ahead of the federal government in requiring energy-thrifty building design. A year ago the state energy commission set standards which have led to greatly improved insulation of new buildings.
- 5. The state also leads in requiring new water heaters, refrigerators and air conditioners to meet high standards of efficiency. These standards will later be extended to other appliances as well. The program will have nationwide impact, since manufacturers are likely to upgrade their entire product line rather than lose the 10 per cent of their market represented by California.

- 6. States can hand-tailor their approaches better than the national government can. California, for example, is blessed with enormous geothermal energy resources -- and therefore devotes great attention to this area. A geothermal power plant in Sonoma County feeds enough energy into the grid to light the entire city of San Francisco. And the state is hard at work trying to solve the difficult technical problems involved in harnessing geothermal power in the Imperial Valley (which could theoretically supply all of California's power needs.)
- 7. California is similarly blessed in having dependable winds and plenty of suitable sites to capture their energy. The state is just starting out on a program to place huge propeller-driven generators on ridges and in windgaps. These "wind farms" could produce some 500 megawatts by 1987.
- 8. The state is also working on bioconversion techniques -the production from solid wastes of methane, as well as
 methanol to be used as a gasoline alternative.
- 9. California is an example of what can be accomplished in the energy field when a concerned populace and a responsive government act together. Such cooperation can not only make up for any shortcomings in a national energy plan; it can also improve on such a plan, taking careful note of local needs and problems.

* * *



Lifting Panama Canal doubts

IN A WELCOME development. President: cure and accessible" and will not inte Carter and Panama's Gen. Oner Torriges Herrora have settled coefficient interpre- Operates of the treaty new are grantetions of the Penama Canal treaties and thus improved chances that the documents will be ratified by the Secure.

For masses of diplomacy and Panama . sion estimate with the treation are value about U.S. rights after full cantrol of the canal passes to Passema in the year 2000.

U.S. recentioners invist that this country will retain the right to use military force to been the canal neutral and open. However, Penamenan diclomats involved with the trenty had said meach right would exist.

In addition, there was dispute about the grierity U.S. warships would get in tracelland the cased. The American interpretation was that they would go to the head of the kee. Presmanises spoke only of "expedi-Lines" passage.

Now, is their "statement of understanding." Cartor and Torrisos make it clear that the United States will have the permamost right to delend the canal, and its naval vessels will pass first in an energency.

The statement also contains a useful essurance to Panamanian sensibilities: That the United States will limit its actions to comming that the case) stays "seen, sein Panama's internal efficient

bing that the statement is informal and lacks the force of law. The Senate can and should counter this roadblock by voting its soderstanding and intermetalism of the treaties. Thus the historical record will be

Even with the boost of the Carter-Turn ion statement, the treaties are not out of Carner yet. They fare strong exposition. some of it sincere and some based on the fact that defeat would weaken Carter's astherety and make burn ensier to best for re-

So lar Carter lease't some to the public with a visurous and convincing defense of the treation. Unless he can convince many millions of doubters that eventually harning over the conal to Passers is executed to Latin American relations, the required 57 Trains will not one his pay.

Nobody can do the selling job for the resident if he has the percentry leadership, he will be able to turn public eximine around. If not embittered Panamanians could explode with substage and coerrilla warfare at seeing the canal, so long granised to them, eastched away again.

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Double interpretation' peril cited

Ex-Panama chief calls pacts invalid

MIAMI (UPI) - Former Panama President Aroulfo Arias warned Tuesday that "transc discord" lies ahead if the Panama Canal treaties algaed by President Corter and President Omar Turripos are ratified by both nations.

Arias, who was oussed in a unistary coup led by Gen. Terrijos only 19 days after Arias' inauguration as president in 1963, said the conflicting "double enforcement of U.S. rights under the treaties make it through and indirectory."

under the treaties make it 'tovalid and ineffective'

He particularly questioned the validity of the pacts signed by Carter and Torripos because of what he said was an absence of the 'democratic process' upder the Torripos government.

Ariss, who exits himself "the last constitutional president

Artiss, who calls hismself "the last constitutional president of Panama," said the pacts must be renegatiated between the two nations after "public liberties and constitutional guarantees are restored in Panama, after all eather are allowed to return home, and after Panama has put its economic and fiscal house in order."

The attack on the creaties by the 76-year-old Aries, who lives in eatle in Miami, came as Torrijos prepared to submit them to the Passmanian people in a sutional plebiscite next Sunday.

The U.S. Senate is not expected to take up the treaty for ratification until ourly next year.

Counties doubts and confusion, with double interpretation, arising from the treaties by Panama and the United States make them invalid and inellective, thus sowing the seeds for tragic discord in the near febrire." Arise warned.

Arias, who held the presidency of Pasama three times between 1949 and 1968, said, "the treaties do not take into consideration the vital interest of either Pasama or the United States, nor those of Latin America."

Arias said the treation under which the United States is to yield control over the canal by the end of this century to Panama, are being put forth at a time when "genuine disnocratic institutions, treedom of speech, and the inaliemble rights of citiors do not exist" in Panama.

He said "none of the political parties representing the immense majority of the (Panamenian) electorate have had any role, directly or astirectly or in any way, in the negotiations" with the United States.

vernors to Chat With Carter

BY SILARON SHERMAN Desver Part Staff Writer

About 10 Western state Democratic governors are expected to meet with President Cartes in Denver Saturday, and some will fly to California with him for a warte fand raiser.

A White bears suckemen said the President would have an "informal chat" with the Rovernors sometime during his half-day visit in Denver.

A motesman for Gov. Robert Straub of Overson said Straub hones to discuss forest management, welfare reform and the next for federal funding for abortion.

ANOTHER STATE executive. Gov. Richard Kneip of South Dakota, wants to talk to the President about a state water project which Carter ordered cut from the federal bodget, on side said.

The governors will observe a mund-table discussion on water by the President and 14 Colorado citizens and attend a Denver briefing by Carter on the Fonance Canal Gradies, a White House spokesman REAL.

A list of governors who will participate warm't available Wednewlay, but spokesmen for chief executives of six states told The Deriver Post their povernors would be here.

The sovermors are Wesley Bolin of Articea, who will attend the Denver morting but may not up to California: Mike O'Callaghan, Nevada, who will be in Denver but probably won't so to Los Angeles; John Evans of Idaho, who may ioin the California trip; Ed Herschler, of Wyoming, who will come to Denver, and Straub and Kneip, who plan to attend both the Denver meeting and the Las Angeles party. An aide to Herschler said she didn't know whether the Wyoming governor will go to Los Angeles.

COLDRAPO GOV DUCK' EFIMITY WILL FLY

with the President to California, but New Mexico Gov. Jerry Apolaca will was t stay for the Saturday might Dames aftere the Denver meeting, a course said. cratic fund-relating event because he but the governor couldn't be reached for wants to spend Sanday with his family, a confirmation Larrim side said.

The main topic of the President's dis-

custions in Denver will be water, and coversors' aidea said their chief exce tives hone to have some merious wife with Carter on that topic during the "chat" and the flight to California.

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Stakes High for Dems as Carter Visits

BY KENNETH T. WALSE Denver Fast Political Writer

Colorado Democrata will be walking a political tightrope Saturday during President Carter's brief visit in Denver.

They'll be trying to balance two ammortes - making the President feet walcome in the West and making the point that some of his notices are causme deep resentment here.

The stakes are so high you don't want While a top aids to Gov. The Labor. The example the specter of a national water policy as critically millined would he so disruptive of the water traditions of this state that we have we can influence

Etale Democratic Chairman Shelle Kowal admitted that some of Carter's policies have been unconstar in Colorado.

but added: "He's somehody who comes to average chican really can't expect to respond to people, and they respond to birn." She said the hopes Carter will gain an accurate impression of Western concome during his visit.

A major problem is that Carter will be in Denver for only five hours, and his schedule is being hundled by Watte House alifes who still are tight-lipped about the details

Many Democrate want to be included to leave a alone universed." and has on the schedule, especially in view of the fact that this is the light visit of as incumbent farmecratic president to Calorado in many years. "We are being deluged with requests," White said. "Everybody wants him to come visit them."

> State Recardican Chairman Marian Carter also completed about access to Carter.

the said Wednesday mersing the

question Carter during the water relier discussion:

"It looks like only the special inscreats are being invited. They're being very secretive about this thing."

At a meeting of the Denver Democratic Executive Committee Tuesday sight. Kowal said she was "mystilled" about Carter's visit because so few details are available.

hard, and perhaps in the world, and he brings with him his own agends." the teld the Democrats. "We are strangers to Marky. "A

"It's nice to have an incumbert Prestdent jul our own party)," and quipped. "We'll get used to it."

the asked if she were trying to say politely that the Democrate would be disappointed with Carter's visit.

"Not necessarily," she replied, "It de-"He is the most powerful man in the pounts on what our expectations are."

Carter sets Denver briefing

President Certer will participate in a briefing on the Panama Canal treaties as well as in a panel discussion of Western water problems. while stopping over in Denver on Saturday, a White House spokesman said.

From 159 to 200 persons have been invited to the session, which will begin at 2 p.m. in the Denver Hillen.

Carter himself won't appear until just before 4 p.m., said spokeswoman Ruth Berry Until then the discussions will be directed by Sol Linowitz, who helped pegotiate the treaties with Panama. and Pentagon spokesmen in the manner of previous briefings held in Washington.

Meanwhile, Gov. Dick Lamm's office ansounced that Lamm, along with other Western governors, had been invited to fly along with Carter on Air Force One to Los Angeles so they could continue discussions.

Lamm has accepted Carter's invitation be Cause ha wants to bend his ear on a number of important subjects," according to press spokes man Jack Olsen. The governor will return to half hour with Western governors while in Den-

Carter begins his Western swing Friday with visits to Detroit, where he will discuss urban policy, and Des Moines, lowa, where he will attend a Jelierson-Jackson Day dinner and talk withfarmers.

He will begin Saturday with a visit to the Strategie Air Command beadmarters in Ornaba. He will be in Denver for four or five hours Saturday afternoon and will end the day by addressing a Democratic National Committee fund-raising party in Los Angeles.

Olsen said Lamm had complained to the White House about the fact that the briefing papers for the water discussion are being prepared by Kathy Fletcher, a former Denverite who worked for the Environmental Delegae Fund before wining the administration.

Lamm is a friend of Ms. Fletcher - "flier climbed Mount Rainer together" - but is alraid she "doesn't have a clear appreciation of what water means to Colorado," Olsen said

Olsen said Carter would nucet privately for a

THE WHITE HOUSE

washington October 21, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS JIM

SUBJECT:

SENATOR HUMPHREY

1. Our generation of Democrats--and Americans--has been particulary gifted with a group of leaders who have dedicated their whole lives to public service. John F. Kennedy was one. Lyndon Johnson was another. And Hubert Humphrey is the third.

Humphrey should have been the third President on that list. But what is so remarkable about his career is that we remember all the things he has done, rather than any of the might have beens. Since he first won public office thirty two years ago, he has served Minnesota and the nation as a mayor, Senator, Vice President, and leader of the party. He fought for civil rights in the forties and fifties, for economic and social justice in the sixties and seventies, and at every moment of his career for a government which respected the individual humanity and potential of its people.

- 2. The people of Minnesota have also been gifted in the Senators they have chosen. There's no other state from which you could have selected a Vice President as talented as Walter Mondale, and still left them a Senator like Hubert Humphrey.
- 3. One of the secrets that politicians share is the difficulty, but also the richness, of hitting the campaign trail. Nothing else is quite so tiring; but there is also no better way to understand ordinary people's concerns, to see the way government decisions affect their lives, and--perhaps most important--to establish common human bonds, instead of the barriers of authority that otherwise separate people from their government.

Not even Al Smith, the Happy Warrior, ever enjoyed campaigning more than Hubert Humphrey, because of the chance it gives him to understand the people he represents.

4. Hubert Humphrey has won respect for his abilities, at home and overseas. He has won gratitude for the policies he has supported. But most of all he has been <u>loved</u>, in a way few other politicans have.

I think the explanation is that Humphrey has represented the very best side of Main Street-American life: a healthy embrace of life, a genuine concern for one'e neighbors, a naturally-balanced,

naturally-same philosophy, and never an ounce of self-pity. Some people who have the never-give-up spirit make it into an outlook of grim determination; for Hubert Humphrey, it is a joyful commitment to continue the fight.

Many people have remarked that our nation, which is becoming one of the older Republics on earth, still seems perpetually young. That is because of the same sort of spirit Hubert Humphrey represents—which keeps him perpetually young in our thoughts.

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THE WHITE HOUSE

WASHINGTON

October 20, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS Ju

Here is a draft, by Rick Hertzberg of my staff, of the Jefferson-Jackson Day speech in Iowa. Stu saw the previous draft of this speech, and we've incorporated some of his suggestions. Also, we've marked on this copy the parts he objects to (mainly those knocking the oil companies). Stu has not seen this draft yet. We're waiting for comments from Jody and Hamilton. We wanted to have this ready for you in case you wanted to look at it this morning.

JEFFERSON-JACKSON DAY

It's wonderful to be back here among so many old friends. I love Iowa and I love Iowa Democrats--and I guess I know this state about as well as anybody who wasn't actually born and raised here.

Back in 1975 I made a lot of secret visits to Iowa. They weren't supposed to be secret, but they were. We started small out here. The first time I came to Des Moines as a candidate, Harry and Elaine Baxter gave a campaign breakfast for me and four people showed up. They were apologetic, but I congratulated them on a pretty good turnout for that stage of the campaign. I was still Jimmy Who when I came to Iowa but I was Jimmy Carter when I left. I think you know how grateful I am for that.

I'm going to break with tradition a little bit tonight. I know it's customary to make a tub-thumping partisan speech at a Jefferson-Jackson Day dinner. I'm not going to do that tonight. But it's not because I think there's anything wrong with love of party--especially love of the Democratic Party. We Democrats have always believed that vigorous political parties--and vigorous partisanship--is an essential part of the process of self-government in a free society. Back in Jefferson's day, we fought for our vision of the public good against the Federalists. In Andrew Jackson's time, it was the Whigs. Now its the Republicans.

And a hundred years from now, I'm sure we Democrats will still be battling -- if not against the Republicans, then against whatever party comes along to replace them. And if we can't find anyone else to argue with we'll argue with each other -- just as we do today.

But my appeal tonight is not to the combative traditions of our party. It is to a different strain in our public life, one that characterizes not just Democrats but all Americans — the tradition of mobilizing the resources and imagination of our society to meet a grave threat to our survival.

In my own lifetime, our society has faced several such threats. Under Franklin D. Roosevelt, we faced first a world-wide depression and then a world war. Under Harry S Truman, we faced the possibility of a new world war and the necessity of rebuilding the Western world to block the advance of totalitarianism. And throughout the period since my generation came of age we have had to face the danger of nuclear holocaust.

Except for nuclear war, which remains the single greatest menace to the survival of humanity, the energy crisis is potentially as serious as any of these. For the energy crisis carries within it the threats not only of shortages and deprivation, but also of massive unemployment and inflation, of depression, of social and economic unraveling, of political instability on a world scale, and perhaps even of war itself.

The energy crisis is a new kind of challenge to our free society. For the moment, it is subtle and insidious -- but unless we act, and act soon, it will be all too unsubtle, all too visible, within a decade.

Vietnam, this crisis will test the strength and responsiveness of our system. It will test whether we as a people, acting through the free institutions we have created over the past two centuries to safeguard our liberties and our security, can avert a clearly foreseeable disaster before its full effects are upon us. It will test whether those institutions can respond to a common threat with actions that are in the common interest --[or whether they are too weak to withstand the manipulations of private greed.] This crisis will test our will. It will test our guts.

We will have to act sooner or later -- we have no choice about that. And sooner had better be soon -- because later may well be too late.

Six months ago yesterday, I went before a joint session of Congress to present the first comprehensive National Energy Plan in the history of our country.

Our energy problems are serious, but they are not insoluble. If we act while there is still time, we can bring energy supplies and needs into balance without serious disruption of our economy.

The National Energy Plan recognizes that energy prices must inevitably rise and that our energy industry must get the revenues it needs to find new domestic supplies. But the Plan protects farmers and consumers and working people by maintaining a price ceiling on natural gas and rebating the extra money

from existing oil supplies to the people instead of giving it to the oil companies. The Plan helps pay for insulation and reforms utility rates to keep electric bills from skyrocketing. And it creates a National Strategic Petroleum Reserve to protect us against supply interruptions for up to six months.

In order to achieve its objective of reducing our dependence on petroleum so that we can smoothly make the ultimate transition to renewable energy sources, the Plan asks for sacrifices -- sacrifices that would be borne equally throughout our society. It asks all of us to recognize a harsh new reality -- the reality that the age of cheap and unlimited gas and oil is over. [In this sense, the Plan is bitter medicine.]

Stu would omit this

But compared to the magnitude of the problem, the Plan is moderate. And compared to the kinds of steps we will have to take later if we fail to act now -- steps that would be profoundly hostile to our traditions of individual choice -- it is more moderate still.

After years of drift and neglect, the issue of energy has at last moved to the top of our nation's legislative agenda. That is where it belongs, and that is where it must stay until a fair and effective program is enacted -- because if we do not get a grip on the energy problem, the economic strength we will need to meet our other urgent national needs will begin to slip away. A steady and dependable supply of energy is the life's blood of American industry -- and of American agriculture as well.

When I spoke to the American people six months ago about the need for a National Energy Plan, I said that the alternative would be an economic, social, and political crisis that would threaten our free institutions.

Since then, millions of Americans have awakened to the need for action. But action on a national scale has not yet been taken, and that means we are six months closer to the fulfillment of that frightening -- and, I am afraid, realistic--prophecy.

Let me talk for a moment tonight about how such a disaster could overtake us -- and what the shape of it might be.

Ten years ago, the United States had a surplus of domestically produced oil. [We would have been eligible for membership in OPEC, if there had been such a thing.] Then, at the beginning of the 1970's, the picture began changing very rapidly.

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By 1972, we were already importing 22 per cent of the oil we used.

In 1973, we imported 35 per cent of our oil. The OPEC embargo of that year gave us a small taste of what is in store for us if we fail to act -- not only the gasoline lines and the other inconveniences, but also the double-digit inflation and economic recession that followed, and from which we have even now not fully recovered.

We got a bad scare that year -- but not bad enough.

Imports continued to spiral out of control. This year,

48 per cent of the oil we use -- nearly half -- will be imported.

Our country is the greatest agricultural exporter in the history of the world. But it now takes two years worth of farm exports to pay for one year's worth of oil imports.

The other side of importing oil on this vast scale is that we export money on an equally vast scale. This year we will pay some \$45 billion to the producers of foreign oil. Unless we act in the near future, our bill for imported oil could go over one hundred billion dollars a year by 1985.

At that point, some seven or eight years from now, oil production in the exporting nations will begin to level off -- partly because they will be close to the limit of their capacities, and partly because they will begin to want to keep more and more of their oil to fuel their own new industries -- industries built with the money they have extracted from the rest of the world. If these things happen -- and, again, if we have not acted -- we may not be able to buy the oil we need at any price.

Then we would truly have a catastrophe on our hands. It would not be limited to long lines at gas stations and unheated homes in the wintertime. Because energy prices are part of the price of everything from bread to schoolbooks, all prices would start shooting up. And with money hemorrhaging out of our economy in the hundreds of billions to buy foreign oil, people would have less to buy everything else in the economy. So less would be produced, and more and more people would be thrown out of work. By exporting money, we would export jobs as well. With massive inflation and unemployment spreading, the American people could begin to lose faith in our political as well as our economic institutions.

We might be able to recover some of that money in the form of foreign investment in our country, but only at the cost of seeing larger and larger shares of our economy in foreign hands. We could end up selling our farmlands and factories to foreign oil tycoons -- and the bitter irony would be that they would be using our own money to buy us out.

On a world scale, there would be a real danger that the entire international monetary and economic system could collapse. We can only guess at what the consequences of worldwide depression might be. But they could include the danger of sharply increasing regional and national hatreds, of the rise of new forms of political fanaticism. The painstakingly built structure of international trust could begin to dissolve. Our own independence and ability to act could be gravely compromised by our economic weakness and our vulnerability to interruptions in the supply of oil.

It's not a pretty picture. None of us want that kind of world -- not farmers, not city people, not even oil company executives. But unless we adopt a National Energy Plan that begins to turn these dangerous trends around, it's the kind of world we will find ourselves living in before any of us are much older.

One of our problems is that the energy issue has become enmeshed in myths.

One of them is that there is some kind of contradiction or opposition between energy conservation and energy production. That is utter and complete nonsense. [But there's a very simple and understandable reason why the oil lobby is saying that the National Energy Plan puts too much emphasis on conservation. The reason is that the conservation of oil does not make the oil companies richer. That's their real objection. I don't think the American people will fall for it.

Conservation isn't the opposite of production —
it's the quickest and most efficient means of production
we have. It's the only way we can have the equivalent of
a barrel of oil for \$2 instead of \$13. A dollar invested
in saving energy gives us more for our money than a dollar
invested in "producing" it. And the payoff is in lives
and jobs as well as in energy, because conservation can
give us a cleaner environment and more efficient industries
that are better able to compete in world markets.

We Americans use twice as much energy per unit of output as the Swedes or the West Germans, and their standard of living is as high as ours. But instead of wasting time reproaching ourselves for our wastefulness, we should seize the tremendous opportunity it gives us. The biggest oilfield in America isn't in Texas or the

North Slope of Alaska -- it's in our own habits, our own inefficiencies. Take every badly insulated house that leaks half its heat into the cold winter air -- take every gas-guzzling car that uses 200 horsepower and two tons of metal to move a 160-pound man from point A to point B -- take every factory chimney that spews up heat that could be used to turn a turbine -- put them all together, and you have a huge source of energy that we can tap quickly, cheaply, and with positive results for both our economy and our environment. Let's do it.

There's another myth in the energy debate, and it may be the most pernicious of all -- the myth that there is a so-called "free market" solution to the oil and gas crisis.

This is a myth because petroleum prices are not free prices. The world price of oil is a price administered by foreign governments. It has nothing to do with production costs or the free play of supply and demand or fair profit margins.

The oil and gas lobbyists talk about free enterprise, but what they really want is to grab the unearned benefits of a price level fixed by a foreign cartel. Their rhetoric ignores the fact that a high fixed price is no more in keeping with the spirit of free enterprise than a low one.

If petroleum prices are going to be fixed by governments -and that is a fact of life -- it is far better for them
to be fixed by our own government, which answers to the

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American people, than to let them be fixed by governments halfway around the globe.

The fog of self-serving rhetoric has been especially thick around the crucial issue of deregulation of gas prices. The gas lobbyists would have us believe that if swe give them the billions they are demanding they will solve our supply problems. But the evidence tells a different story,

An independent study by the Consumer Federation of America shows that while gas prices were shooting up by 445 per cent between 1972 and 1976, production actually declined by 12 per cent and reserves by 19 per cent. The only thing that didn't decline, besides prices, was profits -- they went up by 50 per cent.

In the intrastate gas market, where there have been no price controls at all, gas production has not increased. It has decreased by ____ per cent while prices were rising by ___ per cent.

The gas lobbyists say the incentives under the National Energy Plan are insufficient.

That too is false, and I think they know it -- but since they have nothing to lose and billions in unearned windfall profits to gain if their bluff is not called, they go on saying it anyway.

In fact, the National Energy Plan offers incentives to oil and gas producers that are higher than those offered anywhere in the world -- many times higher than those

offered to Saudi Arabian producers, and substantially higher than those offered to North Sea producers, who must contend with deep water and 30-foot waves.

Even as it is -- without the extra incentives under the National Energy Plan -- the return on net investment in the exploration and production aspects of the business is more than 30 per cent. Even as it is, there is an eightmonth waiting list for drilling rigs. Explorers and producers are so anxious to get their hands on rigs, pipe, and leases that inflation in that sector of the industry is running at over 20 per cent. Compared to the National Energy Plan, decontrol would not result in any great increase in production. But it would result in huge increases in costs to the consumer.

As a matter of fact, if you compare deregulation to our plan between now and 1985, you get an astonishing statistic. It turns out that while there would be a fractional increase in production under deregulation, the cost of that extra gas would be the equivalent of \$64 per thousand cubic feet in 1975 dollars. At those prices, you might as well burn cash to heat your house or dry your crops.

Deregulation would hit the agricultural sector of our economy hard. And I'd like to say a word here to those of you who -- like myself -- are farmers.

If there's any group in this country that really knows what free enterprise is, it's the farmers. I recognize

that you are not looking for windfall profits, but only for some assurance that you can make ends meet -- and it's pretty hard to do that when a bushel a corn that costs \$2 to produce is selling for a dollar and a half. It's in the nature of agriculture that it's swung between extremes by things we can't control, mainly by the weather. deeply concerned about this. One thing we can do is to try our best to alter the equation to avoid the worst extremes -- as we did with the farm bill and the formation of a farmer-controlled grain reserve. Another thing we can do is to increase exports, and I'm committed to keeping the trade lanes open for exports of grain to countries the world over. The tradition of the farm belt is to produce crops in abundance year after year, and I know you are eager to share that abundance with the rest of the world. Our balance of payments deficit is bad enough already because of oil imports. Without the exports that American farmers account for, it would be far worse.

Under these circumstances, the last thing farmers need is the addition of a tremendous, unnecessary rise in the cost of energy because of natural gas deregulation. By 1985, deregulation would cost Iowans \$2.3 billion more than the National Energy Plan. That's the second greatest burden that would be borne by any state.

As I said last week -- and I meant it -- that kind of price gouging is a rip-off. The producers of oil and gas do need incentives -- and the National Energy Plan gives

them incentives that would have been beyond imagining a few years ago.

But the rest of us need incentives, too. And the greatest incentive I can think of to the kind of historic national effort we need to conquer the problem of energy supply is the certain knowledge that what we do is fair and equitable to all.

I believe that the American people are prepared to sacrifice now to avoid much worse sacrifice later. But our sacrifices will be meaningless and ineffective if they benefit only a greedy few. They must benefit us all.

The National Energy Plan offers us the beginnings of a way out of our energy dilemma. It does so with fairness to all and in a way that is balanced and effective. It serves the interests of our people and of our security as a nation. I believe that it deserves your support. I hope you will give that support, and make your voices heard.

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STATEMENT ON HUMAN RIGHTS

My vision of peace in the Middle East is part of a broader vision of the human condition. True peace, reconciliation, and the harnessing of man's creative energies can only come when basic human rights are respected by all governments.

The world is impoverished, we all are diminished, when basic human rights are violated -- whether the violation takes place here at home, in Johannesburg or in Prague. Recent repressive police action in South Africa to enforce racial discrimination, and recent acts in Czechoslovakia to suppress legitimate dissent, carry the world backward from the historic tide of raising the standard of international behavior of governments towards their people. I deplore the developments in South Africa and Czechoslovakia equally, and I believe all Americans share my deep sense of concern.

I am convinced that only if America continues to stand for these principles and works toward them in what we say and what we do can a higher standard of human rights be set for the peoples of the world and true peace be brought to mankind.

True peace cannot be brought about by a balance of forcer it must be derived from man's respect for his fellow man.